Tomorrow's Market Leaders—Montreal Power

Largest Circulation of Any Canadian Financial Paper

THE FINANCIAL POST

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Canadian Mining News Department Page 16

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The Nation's Business

Routing Out Communism
The Crisis in Europe
On Its Solution Depends Stability of Business
Canada Interested

Action at Last Against Communists

AT LAST a real effort is being made to put an end to Communist activities in Canada that have been directed by paid agents of the Third Internationale at Moscow. The carefully laid plans of the Attorney-General of Ontario, working in co-operation with the Royal Canadian Mounted Police, to arrest leading Communists simultaneously and to get possession of their books and documents leave little doubt that this is a serious attempt to remove entirely from Canadian life elements that are dangerous to the stability of all our cherished social and economic ideals.

For many years, The Financial Post has consistently exposed the activities of the Soviet-controlled group of agitators in Canada, working under cover or openly through such organizations as the Communist Party, the Worker's Unity League and the Young Pioneers. Chapter and verse of their link with attempts to utilize labor unions, universities, Sunday schools and the press as tools in their work have on more than one occasion been cited. That the authorities have refrained from action has been most anomalous in view of the fact that the files of the R. C. M. P. have contained all the evidence needed for the jailing or deportation of many of the chief Soviet agents and in view of the fact that the annual reports of the Department of Labor have, year by year, revealed the nature of the activities carried on.

For several years The Financial Post was the object of a campaign of ridicule for its exposures. One newspaper coined the clever phrase "the haunted wood," where The Post was supposedly wandering, frightened and witch-chased.

One does not pre-judge nor condemn without trial the individuals who have been arrested, and whose connection with all this activity must be fairly proved in the courts of law, to declare that there is ample evidence to warrant the raids that have been conducted and the clean-up that has been started.

* * *

Canada's Interest in German Crisis

THE eyes of business men the world over are, or should be, on the situation in Germany for while economic distress is world-wide it centres most acutely in the Reich, and understandably so, for German reparations are at the base of the problem of international debts, and these international debts are the chief factor in the present immobility of capital that is prolonging the depression. If some measure of financial stability can be brought to Germany within the next few weeks or months, financial tension the world over will be lessened. But even this will not solve Germany's problem, which is twofold. First, the present monetary crisis must be relieved. Second, a permanent solution of the reparations problem must be found if further crises similar to the present one are not to occur and recur.

* * *

THERE are both internal and external causes for the serious situation in Germany that is affecting the trend of stocks on Canadian exchanges and the volume of business in Canada. Germany's internal finances have not been well managed in recent years. The government has failed to balance its budget and there has been lacking a determined effort to control public expenditure. In that respect Germany's rulers are not much different from the politicians of other leading nations today. But they have had to contend with the psychology of a defeated people, who feel that there is little use in saving money to pay over to traditional enemies.

Germany has been using up its working capital, the liquid resources of its people and its banks, to meet governmental deficits and to carry on programmes of economic expansion that should have been financed by long-term money. Most of the working capital of the country was lost in the crisis of 1923 and while it has been partially restored by short-term loans from abroad these were transitory or at least subject to recall.

With the oncoming of depression in other countries nervousness developed among those who had been pouring short-term capital into that country and the movement was reversed, bringing about a monetary crisis. The withdrawal of funds gained impetus from internal political troubles of a threatening nature.

So Germany, with infinitely strong economic resources and a thrifty, hardworking population, has found itself with plenty of fixed assets but with little cash in its pockets to meet its debts.

* * *

THE external causes of Germany's troubles are more fundamental. It has become increasingly apparent to economists with

(Continued on page 2, col. 4)

GREAT LAKES POWER SHOWS HIGHER PROFIT

Six Months Figures Reveal Good Increase in Earnings

BUY ALGOMA POWER

Affiliated Company to Be Merged — New Power Plant Now Being Studied

Revenues of the Great Lakes Power Co. during the first six months of 1931 were substantially ahead of the corresponding period of 1930 and, depending on the restoration of full-time operations by two of the company's major power customers, may, officials feel, be expected to increase materially during the remainder of the year.

The company's statement for the first six months of 1931 shows total revenues of $332,386.96, an increase of $18,331.89 over the first six months of 1930. The increase in net income was proportionately greater, due principally to the fact that operating expenses decreased, notwithstanding the increase in revenues, and interest charges reflected the recent retirement of $110,000 of the company's funded debt. Net income for the first half of 1931 was $112,853.61, an increase of 26.8 per cent over net income of $88,988.32 in corresponding six months of 1930.

Comparative earnings of the Great Lakes Power Co. (not including its subsidiary, International Transit Co.,) for the six months period, are as follows:

	1931 $	1930 $
Total revenues	332,386.96	314,054.07
Operating exps. ...	109,492.32	112,859.31
Net earn. from oper.	222,894.64	201.194.76
Funded debt int. ..	59,220.00	61,360.58
Balance	163,674.64	139,834.18
Other deductions (inc. retirement approp. yr. 1931: $50,135.88; yr. 1930: $50,208.20)	50,821.03	50,845.86
Net inc. for divds..	112,853.61	88,988.32

Conditions in the territory, together with the company's current success in building domestic and industrial demand, point to further improvement during the remaining months of 1931.

Acquire Affiliate

Arrangements are in progress for acquisition by the Great Lakes Power Co. of the assets of the Algoma District Power Co. Both companies are subsidiaries of the Middle West Utilities Co. of Canada, and are already being operated under joint management. Additions to facilities of both companies are under way. The Algoma District Power Company has recently completed the development of 35,000 horsepower at High Falls on the Michipicoten river. Machinery and equipment for the generation of 23,000 horsepower has already been installed.

A high voltage line has been constructed from High Falls to Sault Ste. Marie and connected with the plant of the Great Lakes Power Co. The Michipicoten and Goudreau mining companies are being served by new distribution lines, while further distribution lines have been built through the district immediately adjacent to Sault Ste. Marie. Approximately 260 miles of new transmission and distribution lines have been constructed in order to secure new power loads and to make the supply of power more dependable. The amount of expenditures of the Algoma District Power Co.'s development up to date has been $3,790,000. This figure will be substantially increased by a new storage dam which is to be built immediately on the upper waters of the Michipicoten.

Recently the Algoma District Power Co. acquired power sites on the Montreal river adjacent to the company's high voltage transmission line to Sault Ste. Marie. Engineers are actively at work on a new hydro-electric development on this river.

The active extension of power facilities by these companies is considered warranted by prospects for greater power demand in the territory served.

New Board Announced for Consolidated Paper Corporation

NORMAN J. DAWES

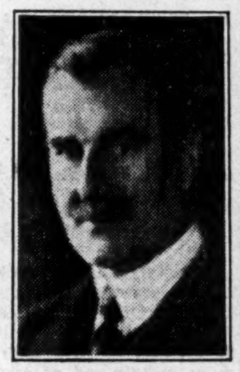
HON. C. A. DUNNING

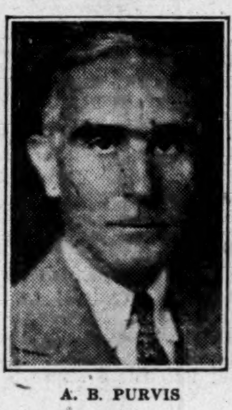
LA MONTE J. BELNAP, President

COL. H. D. L. GORDON

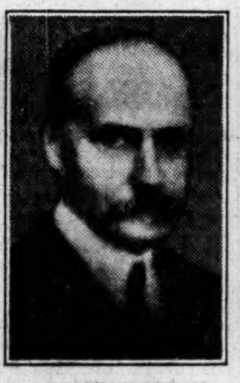
F. G. DANIELS

R. H. McMASTER

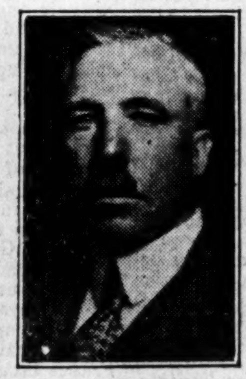

E. A. McNUTT

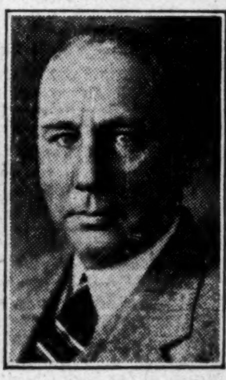

A. B. PURVIS

C. E. NEILL


BEAUDRY LEMAN

W. H. HOWARD

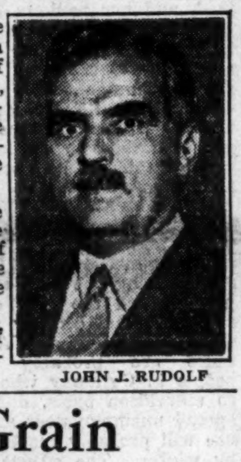

HAROLD CRABTREE


C. F. SISE

The Consolidated Paper Corporation is the name of the company that will succeed Canada Power and Paper Company. The plan of deposit of securities of the former company, under which the new company, with a rearranged capitalization, can take over the properties of this giant among Canadian newsprint paper producers was declared effective this week.

The new directors are shown above. One additional director is yet to be announced. He will bring the board to a total of 15. Nine of the directors have been finally selected by the protective committee. The other five are recommended to the shareholders.

It will be noted that the former directors of Canada Power and Paper Co. are largely missing. Only Mr. Crabtree remains.


JOHN J. RUDOLF

PAGE-HERSEY DIVIDEND IS WELL COVERED

Net Profit in First Half is About $3.75 Per Share

Net profits of Page-Hersey Tubes, Ltd., in the six months ended June 30, 1931, were sufficient to meet three quarterly dividend payments at the present rate of $5 per year. Business of the company is most active during the latter months of the year and it is expected that the company will continue to earn the present dividend by a wide margin although earnings in the current year are not expected to equal last year's total when $10.33 was earned on each of the 174,132 shares of common stock outstanding.

Business during the current year has admittedly been lighter than in 1930 but is regarded by the management as being quite satisfactory in view of current conditions. With building construction down there has been a curtailed market for products used in buildings which normally account for some 60 per cent of the company's business. There is also less activity in the development of oil and gas properties in Alberta. Marked activity in the gas utilities has offered a market and officials of the company feel that this activity may be continued and that the company is in an excellent position to take advantage of the new business thus opened up. Municipal business has been better due largely to work being undertaken to relieve the unemployment situation.

B. C. Business Better

Compared with the volume of business done in 1930 the most severe drop has been experienced in the prairie provinces. The Maritimes are also off due largely to the fact that they were the last to feel the effects of the present depression. Business in British Columbia is ahead of last year and at the present time Quebec is somewhat better. Subsidiaries in the United States are making a better showing than in 1930. Export business is down but to a slightly

(Continued on page 2, col. 5)

Alberta Pacific Grain Covers Its Bond Interest

Report Will Show Full Charges Earned After Usual Depreciation is Allowed

From Our Own Correspondent

WINNIPEG. — Alberta Pacific Grain Company closed its financial year on June 30, and its statement, as well as those of the other companies, most of which closed their year on July 31, will shortly be expected. No figures have yet been released, but it is understood that, in spite of the fact that the 1930 crop was very short in some of the districts served by Alberta Pacific, satisfactory results were attained during the past year. Earnings are expected to show a fair surplus over bond interest and full provision for depreciation at the customary rate. A substantial improvement in liquid position will, it is understood, be reflected in the balance sheet, which will also show full provision in the way of bond redemption for sinking fund purposes.

The forthcoming report will reflect results of the first year's operations after the change in management and control which took place last year as the consequence of heavy losses experienced outside of the company's regular business, which made necessary the writing down of its capital. With its 375 country elevators and terminal elevators at Vancouver the company should have a good earning power when satisfactory crops are harvested in the west.

The current year's outlook is far from promising for the grain companies but the essential importance of wheat growing in western Canada economy remains unimpaired, and for that reason some shrewd financial men have recently been studying the long term outlook for grain company securities, now depressed in price.

The showing of Alberta Pacific Grain is likely to prove a pleasant surprise.

Howard Smith Profits Cover Senior Dividends

From Our Own Correspondent

MONTREAL.—Operations of Howard Smith Paper Mills Ltd. for the first six months of the calendar year were on a lower basis than in the corresponding period of 1930. Sales of the company are reported to be off 14 to 15 per cent, but the decline in volume is not wholly reflected in profits, as through various economies the company has been successful in largely offsetting the decrease in tonnage. The financial statement for the period shows the senior charges covered, with sufficient balance to cover the preferred dividends. This is after providing for higher depreciation charges.

During 1930, Howard Smith Paper Mills Ltd. reported a net profit from operations, including other income, of $888,934. This does not include any profits arising from subsidiary companies' activities. After deducting bond interest and a reserve for depreciation, there remained a net profit available for dividends of $303,934, before providing for income tax. Preferred dividends absorbed $270,000, leaving a net profit for the year of $33,934.

As earning power has been limited this year, the directors decided last May to defer payment of the quarterly dividend on the preferred stock due at the beginning of June last. There is no intimation, officially or otherwise, of a resumption of dividends in the near future.

Inter. Power Net for 1930 May be Off

From Our Own Correspondent

MONTREAL.—Consolidated gross earnings of International Power Co. and controlled companies, operating in Newfoundland and South America, amounted to $4,541,768 during 1930. This compares with $4,439,354 in 1929 and $4,340,115 in 1928. These are preliminary figures, the official statement, ordinarily available in May, not yet being issued.

Net earnings, before depreciation, amounted to $2,121,982 last year. This is a slight increase over that reported in the preceding year, when $2,020,659 was shown.

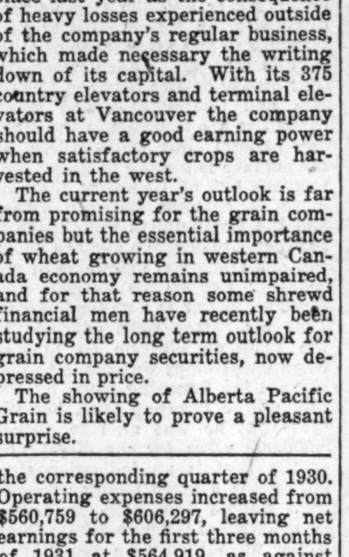
It is anticipated from the foregoing figures that net results will not be as favorable as in 1930. Debenture interest on International Power's own securities has increased from $283,797 to $315,000, while the first preferred stock dividends remain unchanged at $560,000.

During 1929 there was a surplus after preferred dividends of $185,099, while for the past year expectations are that this charge will be shown as earned by a somewhat smaller margin.

Earnings of the controlled properties for the first quarter of 1931, before taking into account depreciation, taxes, etc., or income from miscellaneous sources, totalled $1,171,216, as against $1,100,205 in the corresponding quarter of 1930. Operating expenses increased from $560,759 to $606,297, leaving net earnings for the first three months of 1931 at $564,919, as against $539,446 in the same period a year ago.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Aug. 11	42.5	41.2
Week of Aug. 4	42.0	40.8
Month of Aug., 1930	65.9	58.1
8 Bank Stocks		
Week of Aug. 11	226	224
Week of Aug. 4	228	226
Month of Aug., 1930	255	249
10 Public Utilities		
Week of Aug. 11	69	67
Week of Aug. 4	70	68
Month of Aug., 1930	91	85

MILREIS DROP HITS INVESTORS IN BRAZILIAN

One Guess is Earnings Will Be $1.51 a Share

Continued decline in the milreis has caused considerable further nervousness among holders of Brazilian Traction securities. London is reported to be bearish on the Brazil situation in general. The milreis is selling at approximately 6.35 cents. The nominal stabilized value is 11.96 cents and the decline gives some indication of the difficulties Brazil has met with in its attempt to put its currency on a stable basis. The low was 6.32 cents in May and subsequently there was substantial recovery, which has failed to hold. Last year's average was 10.33 cents.

As Brazilian Traction shareholders know, the company's revenues are derived in milreis and the local expenses in the Republic are met in milreis. On certain of its accounts the company gets a measure of relief from currency decline. Fifty per cent of certain of its power, telephone, and light accounts are payable in gold milreis, which have a value of 54 cents. But tramway fares and the remaining utility accounts are payable in paper milreis.

Loses on Currency

On all foreign purchases of machinery and supplies, the company suffers from the depreciated currency. It loses heavily on the transfer of funds abroad to meet bond interest and to pay dividends. The company has in recent years attempted to maintain its cash dividends, regardless of fluctuations in the milreis and its recent policy of paying dividends in stock was dictated more by the practical impossibility of transferring funds at all than by the loss incurred in such transfer. But with some measure of governmental stability in Brazil it has been possible to purchase New York or London funds for necessary transfers and the directors recently declared a dividend payable in cash. This dividend put the stock on a $1 a year cash basis and the directors indicated that at the end of the year an additional dividend might be paid in stock.

Up to the time the currency situation became acute Brazilian was paying dividends of $2 a year in cash and was able to do this without difficulty as earnings, when converted into dollars, were over $2.50 a share.

Taking value of stock at $20 a share the two stock dividends paid this year have a value for shareholders of about 40 cents apiece or 80 cents in all. The recently declared cash dividend of 25 cents if supplemented by another later in the year would bring the total equivalent payment to about $1.30.

Year's Earnings Forecast

In view of the uncertainty of the near future of the milreis it is difficult to forecast what Brazilian may earn this year. Net earnings for the first six months were probably higher in milreis but they were lower in dollars by almost 20 per cent than in the same six months of 1930. Any forecast for the last

(Continued on page 2, col. 6)

Consolidated Paper Takes Over Control Of Canada Power

Committee Get Majority and Declare Plan Effective

EXTEND DEPOSITS

New Board Comprises Well-Known Executives in Industry, Banking and Finance

From Our Own Correspondent

MONTREAL. — Canada Power and Paper Corp. passes out of existence and in its place arises a new company in the Canadian newsprint field — Consolidated Paper Corp.

This is the name decided upon by the Security Holders Protective Committee following upon a deposit of a majority of all securities and the declaring in effect of a plan of reorganization for Canada Power and Paper.

Since the reorganization plan announcement at the beginning of June, the committee has been receiving the deposit of securities from holders in Canada, the United States, England and elsewhere. On Monday last the committee was able to announce that it had secured a majority of all issues and that the plan was in effect.

Extend Deposit Date

At the same time, two other important pronouncements were made. First the committee decided to extend the date of deposit of securities until the end of this month. This will enable holders to come under the plan or to retain their minority interest, as the case may be.

The other statement had to do with management. The appointment of La Monte J. Belnap, as president, was confirmed.

As previously mentioned in the columns of The Financial Post, the committee found it advisable to increase the number of directors of the newly formed Consolidated Paper Corp. from the original eleven to fifteen, of which number it would have the power to appoint nine for a period of five years. The other six members are to be the choice of the shareholders.

Nominees of the committee for the new board, together with a brief record of their connections follow:

L. J. Belnap, president, formerly president Worthington Pump and Machinery Corp; director, United Dry Docks Corp.; Certain-teed Products Corp., U. S. Hoffman Machinery Co., Worthington, Simpson, Ltd., London, Eng.

F. G. Daniels, president and managing director, Dominion Textiles Co.; president, Montreal Cottons; director, Dominion Glass Co.

Norman J. Dawes — President and managing director National Breweries, director Royal Trust Co., Dominion Bridge Co.

Hon. C. A. Dunning—Former Minister of Finance for Canada, vice-president Ontario Equitable Life Assur-

(Continued on page 2, col. 5)

Toronto Harbor Sees Largest Freighter

Arriving via the Welland Canal, the Midland Prince docked in Toronto August 10, unloaded 6,000 tons of coke and cleared again within ten hours.

The largest ever to arrive in the Toronto harbor, the huge freighter is 489 feet long.

BEAUHARNOIS DECISION HELD UP FOR TIME

Action on Control and Financing Not Immediate

FUNDS ARRANGED

From Our Own Correspondent

MONTREAL.—With the absence of certain parties from Ottawa, Toronto and Montreal, no action will be taken on the future course of Beauharnois Power Corp. until toward the end of this month, and possibly not until next month.

As the situation now stands, Beauharnois' operations will continue without interruption. The banks are understood to have indicated that further funds will be advanced for construction work until such time as the company is prepared to carry out additional financing.

The latter step will not be taken, of course, until various matters have been straightened away. This will involve a change in the present management control, covering the resignations of Senator W. L. McDougald, R. A. C. Henry and R. O. Sweezey, as the Federal Government has broadly intimated that a new order-in-council will not be approved without such change.

With the matter of current financing satisfactorily settled, there will be sufficient time for the interested parties to go into the matter fully and arrive at a decision regarding ultimate control without undue haste.

New Control Possibilities

Along these lines the name of Montreal Light, Heat and Power Cons. is frequently mentioned. That company is generally understood to have a substantial stake in the collateral trust bonds, as well as extensive holdings in the common stock. Montreal Power is the largest individual common stockholder and has a minority control. Its shares are pooled with other large blocks. It is understood "Power" controls the voting of large blocks it does not own.

Holt Issues Statement

Rumors have been current of discussions between the Rt. Hon. R. B. Bennett and Sir Herbert Holt in regard to the taking over of Beauharnois by Montreal Power, and also that the latter had been buying the collateral trust bonds. In a public statement, Sir Herbert is quoted as follows:

"To begin with, I have had no communication whatsoever with the Prime Minister on the subject—or

(Continued on page 2, col. 6)

NATIONAL POWER PAYS $1,398,000 FOR BRANDON CO.

Manitoba Province Will Have Good Profit on Deal

From Our Own Correspondent

WINNIPEG.—Subject to the approval of the ratepayers of Brandon, the government of Manitoba has accepted the offer of the National Light and Power Company to buy the electric, steam heating and gas facilities in Brandon for $1,398,000. This represents a profit of $198,000 on the system which the Government bought from the private company formerly owning it only a few months ago, in order to provide an outlet for provincial hydro power. The company will buy power from the hydro at the same rate the hydro pays Winnipeg Electric Company for power delivered at Winnipeg, plus an allowance for transmission losses and ten per cent additional. It will develop only such electric power from its existing plant as results as a by-product from its central heating operations. In addition it will, over 20 years pay the cost of the power transmission lines connecting Brandon with Portage La Prairie and with Wawanesa. As to rates, the company agrees to maintain those now existing, or to be subject to the utilities commissioners as to revisions.

If, however, the city prefers to buy the plant itself, the Government offers it to Brandon at $100,000 less. This is considered unlikely.

Hope To Link Tramways

The company must negotiate a satisfactory agreement with the city before sale of the plant will be completed. Brandon city council hope to make it part of the agreement that the company will operate the Brandon street car system, now under municipal ownership operation of which is to be discontinued immediately because of steady losses.

The company is a subsidiary of the Iowa Southern Utilities Corporation, and was incorporated in 1930 to own and operate electric plant at Moose Jaw, formerly under municipal ownership, which was purchased from the city.

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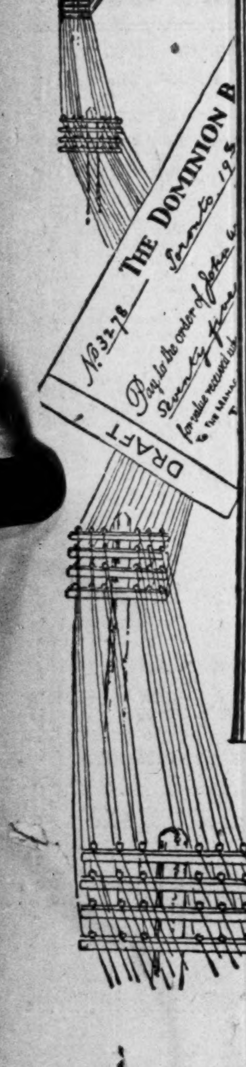

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NO CENTRAL SALE OF POOL WHEAT IN CURRENT YEAR

Each Provincial Pool Will Handle Own Grain

From Our Own Correspondent

WINNIPEG.—The wheat pool situation is that each of the provincial pools, as the result of arrangements concluded at Ottawa between the western provincial premiers and Premier Bennett is to be provided with working capital for this year's operations, under government guarantee. The degree to which each government has assumed responsibility has not yet been made clear, and although the impression was left when the provincial premiers made their announcement that it all rested upon the Dominion Government, it is now understood that the Provincial Governments are also participating to the extent of definitely specified amounts.

Pool farmers are entirely free from former contracts and may sell grain where and how they like. Each provincial pool will operate its elevators for the sale of grain on the open market the same as any line company. Each, in addition, is to operate a pool for wheat, but not for coarse grains, for those farmers who desire such a service. As the initial payment is to be based on 35 cents a bushel, basis Fort William, it is not expected that any considerable quantity of grain will be so delivered.

Discontinue Central Selling

The Central Selling Agency, now under the management of John I. McFarland, will handle no more grain, but will be discontinued as soon as transactions in connection with the 1930 crop are completed. Each provincial pool will separately handle the sale of all grain delivered for pooling, as well as of any other grain it handles, except that in Manitoba the handling of all grain outside of the pool, as well as management of elevators formerly belonging to the pool system (provided present plans can be put through), is to be carried on under a separate company, which is to be largely under the control of the Manitoba Government.

Efforts to establish a new central body for co-ordination of selling fell through, partly as a result of technical difficulties and partly because of the refusal of Mr. McFarland to assume the management. Essentially therefore, each provincial organization is to go its own way. While a co-ordinating committee is to be set up for discussion of possible future developments, it will have no effect on this year's operations.

Hollywood SEAMLESS CROTCH SWIM SUITS A REGENT PRODUCT

Can. Paving & Supply May Pass Dividend

Doubt is expressed in investment circles as to the payment of the quarterly dividend on the 7 per cent first preferred stock of Canada Paving & Supply Corp. Market action of the stock would appear to have anticipated passing of the dividend for some time and very few sales have been made this year. The stock sold at $51 a share in March but for the last month has been offered at $20 with no bids.

The company covered dividend requirements on the first preferred stock by a small margin in the year ended January 31, 1931, but business is reported to have been spotty this year and the immediate outlook is somewhat uncertain. While some business has been secured the company has been rather unfortunate in losing out on large contracts. In one case in Quebec the company put in the low bid on a fair-sized job which was not awarded on the basis of original tenders received.

G. WESTON SALES DECLARED TO BE UP TO '30 LEVEL

No Further Statements Yet Made on Recent Transactions

Semi-official information is to the effect that for the first six months of the year sales of George Weston, Limited, biscuit manufacturer, and its American subsidiary were maintained at approximately the same level as last year. Profits for the period are stated to be ahead of last year.

Earnings of George Weston, Limited, during 1930 were equivalent to $2.60 a share on the common stock. Dividends of $1 a share are being paid.

Through its affiliated company, George Weston Bread and Cake, Limited, which operates in Toronto, the company will on September 14 begin the marketing of vitamin D bread. The company recently acquired certain rights in connection with the manufacture of vitamin D bread, produced under licenses received from the Pediatric Research Foundation, connected with the Hospital for Sick Children, Toronto. The bread has been marketed by the General Baking Corporation in the United States and has proven remarkably successful. One other baking organization will, The Post understands, also control rights for the sale of vitamin D bread in Toronto.

No Details on Merger

The extent of the interest in George Weston, Limited in the baking subsidiary has not been revealed to the shareholders. The bakery was started as a private enterprise of W. Garfield Weston, president of Geo. Weston, Limited, and an associated group. Last year it acquired ownership of Lawlor's Bread, Limited. The purchase price of Lawlor's bakery was put up by George Weston, Limited, and the last balance sheet showed as a special account receivable the sum of $262,500 due from George Weston Bread and Cakes Limited. The liabilities have been increased by a similar sum, of which $150,000 represented a new bank loan. It was explained that in consideration for financing the transaction George Weston, Limited, would receive a block of shares of the bakery company or else a cash consideration. In brief, George Weston, Limited, financed the transaction but did not acquire control of the company.

In the present year the bakery company purchased the Regal Bakeries, owning plants in Toronto and Oshawa. The purchase price was stated at the time to be $500,000 part in shares and part in cash, but no information has been given as to how the deal was financed or as to whether it was the business only or the business and the plants of Regal Bakeries that were acquired. An unofficial statement at the time indicated that George Weston, Limited, had acquired control of the bakery company, but it is understood by The Financial Post that the George Weston, Limited, ownership of shares in the bakery company does not represent complete control.

Relations With U. S. Firm

It is understood that George Weston, Limited, is now virtually in control of the Weston Biscuit Company, which operates an American plant and sells biscuits in the New York area. The American enterprise was a large venture entered into by interests associated with the George Weston, Limited and in which the Canadian company had a small interest. Plants were operated in New Jersey and Massachusetts and a considerable sum of money was spent in advertising and on a large scale merchandising scheme. The company was not a financial success and was recently reorganized, the preferred and common shares being written down in the process. It is understood that the Canadian company has made advances for working capital to the American company and in return has received certain options on stock in the American company, but whether or not these options would represent control is not known. Business in the American company is being conducted on a much more restricted basis. There is a small plant at Wassaic, New York. Red ink figures are beginning to disappear and it is hoped that profits will shortly be shown.

Unofficial statements published this spring were to the effect that the bakery company and the American company had been merged with the Canadian company, but while the operations of the three groups have been more largely concentrated the shareholders of George Weston, Limited, have no official information to indicate to them that the control of the other two companies has passed to their company.

NATION'S BUSINESS

(Continued from page 1)

a world-wide outlook that, even with the revisions under the Young plan, Germany could not pay the demands made upon it for reparation except during a period of world prosperity when there was available for loaning to Germany adequate sums of money to cover the payments made. The Young plan was essentially a "good times" plan, incapable of meeting a world crisis. When foreign lending began to freeze up, Germany simply could not meet these payments without imposing upon its citizens a crushing burden of taxation and upon producers of other nations a flood of manufactured goods. Wiping out reparations would meet the German crisis but in a politically-minded world, still dominated by pre-war ideas of the "balance of power" there is no one person capable of ending the reparations muddle.

For a while, the United States, as the residuary beneficiary under the various war debt settlements, was blamed for the failure to achieve some adjustment of what are largely political debts. Now, however, it is apparent that American opinion is weakening on the war debts question, and leading Americans would be willing to write them down and make way for the final closure of the reparation chapter.. But France seems determined not to lose the economic advantage it feels it has in the imposition of this burden upon Germany. France is only mildly interested in the money it might receive from Germany under the reparations payment. It is much more interested in the dominant position it would gain in Europe from being the strongest financial power in that area and having alongside of it a broken and virtually subject nation. The reparations are a halter that France holds around the neck of Germany and France is not particularly anxious to stave off a financial collapse for Germany that means humiliation for her age old enemy. France's view is that the Treaty of Versailles and the Young plan are fixed documents, not subject to change simply because of a world siderations.

* * *

THE reparations problem at the moment gets down not to the attitude of the United States or Great Britain but to the attitude of France. In this there is involved all the old struggle for dominance between Germany and France. France recalls that before the war Germany used its financial and industrial power and its military victories to impose upon other nations its political will. And now that France occupies a similar position in European affairs, it is determined, and her bankers and industrialists seem to back up the politicians in this respect, to take full advantage of the situation. There seems little doubt that some of the withdrawals of French capital from Germany, just when the crisis began to develop in the latter country, were dictated by political considerations.

* * *

THERE is an all pervading hopelessness and feeling of disillusionment in Germany. The standard of living has been steadily depressed and the flow of foreign capital to that country for investment has declined. At present there are probably 12,000,000 people in Germany who are close to starvation basis, due to widespread unemployment and the figure will probably reach 20,000,000 by winter. The efforts of Chancellor Bruening to restore financial stability have been ineffective and only halfheartedly supported. They have not had definite public encouragement. There is a greater popular appeal in the bellicose policy of Adolph Hitler and his steel helmets.

In opposition to the more conservative elements in Germany are two groups, the National Socialists under Hitler and the Communists directed from Russia. Hitler patterns his efforts after those of Mussolini's Fascisti. Each week-end sees bloody battles between Hitlerites and Communists and many casualties are reported in the Monday papers. But while Hitler, on the surface is aiming to keep Communism out of Germany there is more in common between Hitler and the Communists than there is between either group and the financial and industrial magnates of the country. For all his Fascisti professions, Hitler is a radical leader. True his forces were defeated in the Prussian election on Sunday when an attempt was made to embarrass the Bruening party by dissolving the Prussian Diet, but the fact that he was able to gather 9,000,000 votes for the dissolution of the Diet is an indication that Hitler has a large popular following. Should the Hitlerites come into control of German affairs there would undoubtedly be repudiation of the reparations. If the Allies should insist on completion of the reparations programme, the German people spurred on by the younger generation who know little of the events leading up to the war and care not for academic discussions of war guilt, might take the easiest way out by giving German radicals enough support to put their radicals in control. This would probably mean a lining up of Germany and Russia against the rest of the world. The financial troubles of Germany are making her people desperate enough to take such a drastic course.

* * *

THUS the recent moves of world political and financial leaders are but stop-gaps. Credits to Germany have been temporarily renewed but it solves no problem to give it a three-months' hoist. In the situation there is the hopeful factor that the support according the conservative Bruening forces in last Sunday's election may cause France to be less fearful of her potential losses should she give aid to Germany. And by now France should have plenty of evidence that her policy is unpopular in other countries.

With business opinion the world over beginning to make itself felt, there is some cause to hope that purely political jealousies and excessively nationalistic ambitions will be submerged to a greater extent in future parleys in order that a crisis that threatens to prolong the world depression may force action that will permanently remove some of the obstacles to world recovery. The alternative is a much more disturbing crisis in 1932 and the threat of another world war of revenge to readjust the balance of power.

* * *

EUROPEAN politicians may well ponder on the fact that leading German, British and French business men all subscribed to a resolution passed at an emergency meeting of the Executive Committee of the International Chamber of Commerce, a resolution that is most significant when one reads between the lines to find its real meaning:

"The development of the world crisis has clearly demonstrated the economic and financial interdependence of all the nations.

"The spirit of suspicion and mistrust engendered by the war constitutes an obstacle to the measures made necessary by this interdependence, is a constant menace to peace, and endangers the entire economic structure of the world.

"The nations can overcome existing difficulties by a sincere and confident effort of international collaboration.

"The International Chamber of Commerce therefore makes an earnest appeal to public opinion in its member countries to strive for a broad measure of understanding in mutual restoration of that confidence which is essential to the world's economic prosperity."

The urgency of closer economic co-operation between France and other countries, particularly Germany, has so impressed itself on the minds of politicians and business men in France that a committee has been formed under the title of "Comité d'Entente Internationale" to create the necessary atmosphere in France and seek points of contact.

CONSOLIDATED PAPER TAKES OVER CONTROL OF CANADA POWER

(Continued from page 1)

ance Co., vice-president Lucerne Association, Ltd.

Col. H. D. Lockhart Gordon—Clarkson, Gordon, Dilworth, Guilfoyle and Nash, chartered accountants, Toronto.

Ross H. McMaster, president Steel Co. of Canada; director, Bank of Montreal, Canadian Pacific Railway, Royal Trust Co.

E. A. McNutt, treasurer, Sun Life Assurance Co. of Canada.

John J. Rudolf, partner, Iselin & Co., New York.

Charles F. Sise, president, Bell Telephone Company of Canada; director, Royal Trust Co., Northern Electric Co.

Make Recommendations

The committee is recommending six names for approval at the first shareholders' meeting. Only five names are made public at the moment, the sixth—an executive of the Bank of Montreal—will be named later. They follow:

Harold Crabtree, president, Howard Smith Paper Mills.

W. H. Howard, K.C., Brown, Montgomery and McMichael, advocates, Montreal.

Beaudry Leman — General manager. Banque Canadienne Nationale; director, Shawinigan Water & Power Co., Montreal Tramways Co.

Charles E. Neill—Vice-president and managing director, Royal Bank of Canada; director, Montreal Trust Co., Shawinigan Water & Power Co., Dominion Bridge Co.

Arthur B. Purvis—President and managing director, Canadian Industries Limited; vice-president, Barclays Bank (Canada); director, General Motors Corp., Dunlop Tire & Rubber Goods Co.

New Capital Smaller

The financial set-up of Consolidated Paper Corp. will cover $51,058,522 of 5½ per cent first mortgage bonds, plus bonds to replace those pledged with the banks as security approximating $8,000,000, and 1,547,141 shares of no par value common stock. There are, in addition, two other small bond issues, namely, Wayagamack News Co. $1,431,774 and Ha Ha Bay Co. $137,300.

Under the old set-up Canada Power had outstanding the following securities:

Bonds	
Canada Power	$35,466,700
Anticosti	5,192,500
Belgo	8,240,500
Laurentide	‡7,110,120
‡(held by banks as security against advances)	
Port Alfred	14,999,667
St. Maurice	10,836,225
Wayagamack	3,527,600
Preferred Stock	
Anticosti	3,000,000
Belgo	5,000,000
Port Alfred	6,000,000
St. Maurice	10,000,000
Common Stock	
Canada Power	1,521,750 sh.

(Note: Virtually all of the common stocks of the subsidiary companies is held by Canada Power. Arrangements have been made for the conversion of minority holdings.)

Look For Stability

The primary purpose of the reorganization plan was to relieve Canada Power and Paper of heavy fixed capital charges—charges so large that the company was not able to earn sufficient money to meet them. The new capital set-up makes possible the elimination of all fixed charges for a period of five years, during which period it is expected that the company will be able to build up an adequate working capital and place its finances in a sound position, by which time contracts now in hand or in sight will permit the new company to establish an adequate earning power on the basis of the new capitalization.

PAGE-HERSEY DIVIDEND IS WELL COVERED

(Continued from page 1)

lesser extent than is domestic business.

The liquid position of the company has even been improved during the last six months and working capital is stated to be higher than the $5,949,737 shown as at December 31, 1930. Investments in bonds, which at that time amounted to $2,477,482, remain about the same and there has been no substantial change in inventories which were shown at the end of last year at $2,197,545. Inventories are usually at the lowest point of the year in January and February and the highest during the summer months in preparation for the increased demand for the company's products which prevails in the fall.

Will Open New Mill

The new seamless tube plant of the company, which has been completed at Welland, Ont., will be placed in operation during September, it is expected, after several months of testing. Sufficient orders are on hand to warrant placing the new mill in production. The mill was built primarily to manufacture seamless tubing principally for boilers and well casing, neither of which have heretofore been made in Canada. It is understood, however, that the mill can turn out any of the products manufactured by the company. The method of manufacture used in the new plant has not been used previously on this continent.

Further reduction in the number of preferred shares is reported. This is the senior security of the company and is convertible into the common stock on the basis of two shares of common for every share of preferred. At December 31, 1930, only 244 shares remained outstanding out of an original issue of 30,000 shares. There are now some 189 shares of preferred outstanding.

MILREIS DROP HITS INVESTORS IN BRAZILIAN

(Continued from page 1)

half of the year involves a great deal of guess work but allowing for a 25 per cent reduction in net earnings for the last six months the prospective earnings per share on common stocks are slightly over $1.50 per share. Should earnings exceed this amount substantially directors would probably declare a stock dividend on top of the cash dividends.

The projected 1931 earnings, taking allowing for a twenty-five per cent decline in net for the last six months have been worked out by a Toronto financial man as follows:

	1930 $	1931 $
Net Earnings:		
First half	14,021,020	11,311,311
Second half	13,528,574	10,146,163
Year	27,549,594	21,457,474
Add misc. income	192,837	200,000
	27,742,431	23,457,474
Less: Bond int. & other charges	3,588,938	3,400,000
Deprec. & S.F. res.	7,745,594	8,000,000
Bal. to Brazilian Trac.	16,407,899	12,087,474
Misc. income	438,177	450,000
Total income	16,846,076	11,607,474
General expense	420,737	425,000
Amortization	400,000	400,000
Net profits	16,205,339	10,782,474
Pref. dividends	24,315	20,000
Avail. for common	16,181,016	10,762,474
Per share	$2.50	$1.51

Lash Goes to Brazil

Miller F. Lash, K.C., president of Brazilian Traction, is now on his way to Brazil where he will visit the company's properties and confer with officers.

Cable despatches to Canada have brought little report of the Brazilian reaction to the plan of Sir Otto Niemeyer for the stabilization of the country's finances. Niemeyer's constructive recommendations are of a long range nature and provide little hope of immediate improvement.

BEAUHARNOIS DECISION HELD UP FOR TIME

(Continued from page 1)

with the Provincial Government, for that matter.

"We are prepared to help, of course. We have a contract for Beauharnois power, and we expect that contract to be respected. This is a matter in which the Dominion and Provincial Governments must get together, and do so as quickly as possible."

Interest Not Extinct

There is no mention that Montreal Power might not be interested in taking over the enterprise. Sir Herbert's statement has only to deal with the reported discussions and buying of bonds.

With Beauharnois under the wing of Montreal Power many of the difficulties and problems that beset the former would be ironed out. From the political point of view, however, there are a number of objections to that move.

A National Undertaking

Of late weeks Beauharnois has taken on the garb of a national enterprise and there are many who would object to Beauharnois being tied up with Montreal Power. The Rt. Hon. R. B. Bennett has already said that the canal would be taken over by the Federal Government as part of the International waterways scheme so that the project will take on a semi-public character.

Retain Present Identity

In view of the apparent opposition to outward control by Montreal Power, there is a growing view that Beauharnois stock ownership will be allowed to remain undisturbed, but that the management control, represented by the five management shares will be vested in two or three men of national importance, who will act more or less as trustees for the bondholders and others. On the expiration of the ten year term, the shareholders will then be allowed to vote into power whatever group of men they desire.

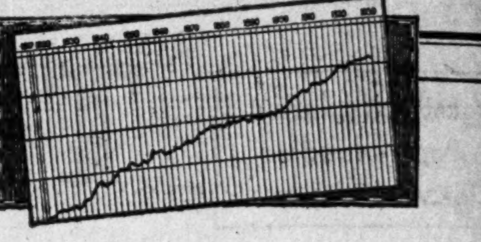
The questions of control and financing are intertwined with the new application which Beauharnois Light, Heat and Power Co. must submit to the Federal Government. The original order-in-council granting the use of 40,000 cubic feet of water per second has been cancelled. Work has not been stopped on that account, but action has to be taken in preparing a new application, which, if approved by the cabinet, will be made legal by an order-in-council. The second request will also take into account the rights to 13,000 cubic feet of water secured from Montreal Cottons, making 53,000 cubic feet in all. Any further applications for additional diversion of water from the St. Lawrence will have to be approved by parliament.

Submit New Application

Before issuing the new order-in-council, Beauharnois will have to submit a new application covering complete details of the work already done and plans for completion of the project. It will be remembered that evidence submitted at the House of Commons committee enquiry clearly indicated that the company was building with a view to diverting the full flow of the river and not for the amount of water provided for in the original order.

The Federal Government's intention of taking over the canal will also have to be taken into consideration. For what is thus acquired by the Dominion Government the company most likely will be accorded the compensation which is considered to be fair and reasonable.

It is doubtful if the Dominion Government will attempt any measure of control in regard to contracts already made between Beauharnois and Ontario Hydro and Montreal Power for the disposal of power. Its principal concern will have to do primarily with seeing that proper interests guide the project over the next few years, protection of navigation rights, and the projects relative to the general scheme for the International deep-waterways enterprise.



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TOTAL ASSETS IN EXCESS OF $750,000,000

Joseph Sirois Elected to Trustee Holding Board

From Our Own Correspondent

MONTREAL.—Trustee Holding Distributors Ltd., announce that Joseph Sirois, of Quebec, has been elected a director of the company and also of a subsidiary organization, Depositor Co. of Canada. The latter sponsors Canadian International Trustee Shares.

Mr. Sirois is a director of the Provincial Bank of Canada, and also of the Administration and Trust Co., of Montreal.

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine

Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

FACTORIES AT MONTREAL, TORONTO, OTTAWA, WINNIPEG, WELLAND

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Secretary: E. W. McNEILL

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THE T. EATON CO LIMITED

AGNEW-SURPASS SHARE EARNINGS DOWN FOR 1930-31

Financial Report Satisfactory Considering Slow Trade

From Our Own Correspondent

MONTREAL.—Lower gross and net earnings, cutting down of inventories and an improved working capital position, are features of the annual report of Agnew-Surpass Shoe Stores Ltd. for the fiscal year ended May 31, 1931, in comparison with the preceding year.

For the 12 months ended May last, Agnew-Surpass reports gross earnings of $193,236. This compares with $227,488 in the preceding year. After providing for depreciation and income tax, there remained a balance available for dividends during 1930-31 of $144,196, as against $184,172 in 1929-30.

Earnings for the past year are equivalent to $14.31 on the preferred stock, against $18.42 in the previous year, while common share earnings for the year equals 90 cents, compared to $1.42 in 1929-30.

Details of Income

Consolidated profit and loss account figures for the past three years compare as follows:

	1930-31 $	1929-30 $	1928-29 $
Gross earn. ...	193,236	227,488	197,259
Deprec.	29,607	27,664	22,923
Balance	163,629	199,824	174,336
Inc. tax	a19,433	15,652	14,927
Net profit	144,196	184,172	159,408
Pfd. divds.	70,000	70.000	71,055
Balance	74,196	114,172	88,353
xDeduct	2,182	350	276
Surplus	72,014	113,822	88,076
Prev. surp. ...	201,898	88,076	......
P. & L. bal. ..	273,912	201,898	88,076

a—Including additional tax for 1930 fiscal period, $3,789.
x—Equity of minority interests in profits of subsidiary companies, and adjustments.

Working Capital Gains

As at May 31, 1931, Agnew-Surpass reported total assets of $1,741,586, of which current assets totalled $1,260,085, against which there were current liabilities of $225,538, leaving a net working capital of $1,037,547. At the end of the preceding year, assets totalled $1,649,529, of which current assets amounted to $1,134,867 and current liabilities $187,551, leaving a working capital of $956,315.

Analysis of the balance sheets shows an improvement in cash position from $62,882 to $224,786. A new item in the balance sheet this year is investments of $60,000. Loans and receivables have declined from $127,362 to $85,338. There has also been a cut in inventories from $937,290 to $839,052. Prepaid expenses have been cut in half to $3,385, while fixed assets show a decline of a little over $5,000 to $486,501. Patents, etc., are carried at the same figure, namely, $15,000.

Cut Down Preferred

On the liability side of the balance sheet, accounts payable show an increase of $121,199 to $164,295. Accrued liabilities have been cut by approximately $3,000 to $20,117. A sum of $20,349 has been set up for income tax, while dividends payable total $17,720.

Preferred stock outstanding now totals $977,500, as compared to $1,000,000 at the end of May, 1930. Common stock is shown on the books at $265,073, a drop of roughly $1,100 from the previous year. Surplus has increased from $201,898 to $273,911.

Sales Down 6 Per Cent

In his remarks to the shareholders, J. E. Warrington, president, said in part:

"Combined sales for the year amounted to $2,775,196 (after eliminating sales from factory to store companies), a decrease of six per cent from the previous year, and gross earnings amounted to $193,236, which after deducting depreciation and provision for income taxes, left net profit of $147,984.

"Earned surplus after payment of preferred dividends for the year and other charges, amounts to $273,911 as against $201,898 as of May 31, 1930.

"Unit sales increased over a year ago, but reduced prices offset any advantage in this connection, and profits were also affected, due to the necessity of writing down stocks of merchandise to current values, but in view of conditions existing throughout the year and especially the last half, the results can be considered satisfactory.

"Ample depreciation has been provided on buildings, plant, fixtures and store fronts; the properties have been maintained in an efficient condition, and many of the stores refitted and improved. Six new stores were opened, making fifty-four (54) in operation at the end of the year.

"Your affiliated companies have taken advantage of depressed stock market conditions, and employed some of their surplus funds in the purchase of the preferred shares of the company."

GENERAL BROCK BOOKINGS BETTER

Hotel's Earnings Are Expected to Exceed 1930 Result

Business of the General Brock Hotel at Niagara Falls, Ont., is reported to show an improvement and bookings for September and October are regarded as more satisfactory. May and June were poor months but there was a definite improvement in July, an experience also reported by other hotels in Ontario that look forward to the tourist season.

In the first four months of the current year, the net earnings of the company showed a substantial increase over the same period in 1930. While no statement has been issued for the last year it is known that the company was affected by the adverse business conditions and was operated at some 25 per cent of capacity.

Interest on the $1,000,000 of 6 per cent first mortgage bonds outstanding has been earned and paid regularly. On financing the company it was estimated that if the hotel operated at 53 per cent of capacity interest charges and sinking fund requirements would be earned more than three times. Initial payment to the sinking fund was to be made on April 1, 1931, semi-annual payments of $15,000 to made thereafter.

Pulp Wood, pulp and paper exports from Canada during June had a value of $10,393,942 as compared with $10,357,869 in May and $11,654,859 in June, 1930. Of the total, the U. S. A. took $8,950,827, the United Kingdom coming second with $496,617.

Stock Market Leaders of Tomorrow

Montreal Power's Remarkable Record Entitles It to Consideration as Potential Leader of Coming Markets

By GRANT BROWN

ARTICLE SIX — MONTREAL LIGHT, HEAT AND POWER

With Montreal Light, Heat and Power we revert to the utility group. Some of the reasons for expecting the continued growth of electrical utilities have been discussed in connection with the article on Shawinigan. These considerations, of course, are equally applicable to "Power." In addition, the growing popularity of gas both for domestic and industrial purposes should be noticed; for "Power" in Montreal plays the rôles that in Toronto is played by two organizations, Consumers' Gas and Toronto Hydro. In fact Montreal Light, Heat and Power Consolidated is very much what its name suggests—a combination of companies which together form the chief source of light, heat and power for Montreal—or rather for Greater Montreal, that highly industrialized population concentrated in and near the great seaport, Canada's New York. This population already numbers a million and a quarter and it keeps on growing. The prosperity of Montreal Power, then, seems likely to vary directly—as the algebra used to say—as the growth and progress of this huge centre. Montreal in turn depends for its success on the needs, partly of the Province of Quebec, partly of the rest of Canada, in regard to manufacturing, distribution, transportation and finance.

In the last analysis, then, the fortunes of Montreal Light, Heat and Power are very closely linked with the fortunes of Canada as a whole. And, if these fortunes are overclouded at the moment, there are few observers who do not believe that the clouds will lift and the farther horizons reappear undimmed. So far, then, conditions seem to point to market leadership for Montreal Power in the future as in the past.

Origin and Growth

Ostensibly the present corporation dates back only to 1916 when the Civic Investment and Industrial Company—the present company under a different name—merged the old Montreal Light, Heat and Power Company and the Cedar Rapids Manufacturing & Power Co. through the offer of one of its shares for one share of Cedar Rapids and three shares for one share of the old Montreal Light, Heat and Power. Two years later this Civic Investment Company changed its name to the present form—Montreal Light, Heat and Power Consolidated. (Mark the Consolidated that distinguishes the new company from the old.) But the old company dates back to 1901 when it was incorporated under a special act of the Quebec Legislature with perpetual and valuable rights in the city of Montreal and its vicinity. So that "Power" really has a market history—and a very interesting one—of some thirty years. Its roots, however, go deeper still. It, too, was a merger of older companies possessing valuable charter rights. One of the principal subsidiaries, the Montreal Gas Company, dates back to King William the Fourth (1836). Another, the Royal Electric Company, is nearing the half century mark (founded in 1884. In one guise or another, then, the company has shown its ability to withstand one of the severest of all tests—the test of time.

Grows With Years

During all these years, like a rolling snowball, the nucleus has steadily grown, adding plant to plant and franchise to franchise, sometimes purchasing outright, sometimes exchanging stock, sometimes even buying electrical power on long-term contract until the total of electrical power owned or contracted for has amounted to more than 600,000 h.p. and the company has become one of the largest retail distributors of electric power on the continent. It has always been its policy to keep well ahead of the market for power, and it is calculated that provision has already been made for the needs of Montreal for some years to come. (One of these long-term contracts, by the way, includes 200,000 h.p. from the Beauharnois Light, Heat and Power Company—of which more later. Another is with Shawinigan.)

An important advantage possessed by the company should not be overlooked. "The generating plants and substations are so co-ordinated through an intercommunicating high-tension power system that continuous service is assured." This arrangement also makes for economical operation. A surplus for one station may be advantageously used elsewhere. One or two figures indicative of the growth of this side of the company's activities might be noticed in passing. In 1902 the customers for electricity numbered some 5,600 and in 1930 more than 240,000. In the same period the output had increased from 42,980,260 kilowatt hours to 1,650,636,000.

Gas Activities Important

In addition, gas properties of Montreal Light, Heat and Power have expanded greatly. The gas manufacturing plant at Ville Lasalle, on the Lachine Canal, is said to be one of the most complete and efficient in Canada. Along with the Koppers Company of Pittsburgh, "Power" controls the Montreal Coke and Manufacturing Company, which, besides operating coke-ovens, makes scientific use of its gas by-products in the manufacture of tar, sulphur, benzol and sulphate of ammonia. In recent years the company has added annually many miles of gas distributing mains—36 miles in 1929, 30 miles in 1930—in new territory. Last year the company reported a gas output of more than 6,000,000,000 cubic feet which was distributed to some 191,000 customers. (Compare this figure with the 25,347 customers of 1902.) The use of gas as a means of heating houses is a comparatively recent development which seems likely to augment considerably this branch of the company's activities.

Jointly with Shawinigan, the company controls Montreal Tramways and Power Company, Canada Light and Power Company and other subsidiaries. Another of its friendly associates is Power Corporation with which it shares control of Montreal Island Power Company.

Rates are Reduced

A feature of the expansion of "Power" has been its success in maintaining cordial relations with its customers. One reason may be found in its consistent policy of rate reduction. The company claims "an unrivalled position throughout the Continent of America for minimum rates in respect both of gas and electricity" in spite of handicaps of climate and long distance freights on coal. (This claim seems to be conceded by "Standard Statistics"—at any rate to the extent of ranking it among the companies offering low rates.) The last annual report gives an interesting table of rate reductions for electric lighting from 1908 to 1930, which shows reductions each year. The rate for 1930 was 3 cents per kilowatt hour, graduating down to 1.50 cents per kilowatt for quantity consumption. Another reason for cordial relations—and also an evidence of them—is to be found in the customer ownership campaigns of 1926 and 1930. Last year's campaign secured more than 57,000 subscriptions from customers at the price of $50 per share payable in installments over a term of two years. The market price after rising considerably above the subscription price fell considerably below it (to 38 in May) and at 46 still lags behind. However, payments are reported as being well maintained; the directors although by no means enthusiastic about public ownership in general, regard this particular form of it as a gratifying success.

In the matter of taxation, the company feels that its customers are unfairly treated. Whereas in cities like Toronto similar enterprises are municipal or provincial undertakings, and free accordingly from federal income taxation as well as from local taxes, the privately owned Montreal system has to pay heavy taxes which necessarily both raise the cost of operation and limit reductions to the consumer. The company is agitating for the removal of the Federal income tax on the ground that it constitutes discrimination against the customers of privately owned plants. It declares its readiness, in the event of success, to pass along the full benefit to consumers in the form of a reduction of rates.

Beauharnois and "Power"

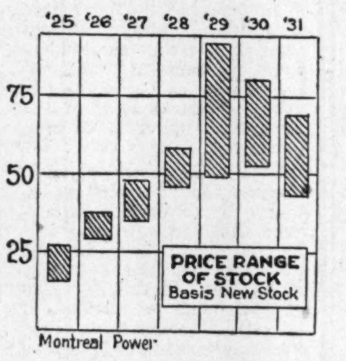
Mention has already been made of "Power's" long-term contract with Beauharnois. Originally for 150,000 h.p. it was later raised to 200,000 h.p. The existence of this contract, the company's substantial interest in Beauharnois, its reputation for efficient management and its great financial strength make it not improbable that the orphaned power project — apart from the canal which becomes a federal enterprise—may be left at the door of Montreal Power. This would at least secure ample financial backing, able management and a ready-made market for the undertaking. No doubt, too, Cedar Rapids could be used to greater advantage in co-operation with Beauharnois. Such a plan might be criticized in certain quarters; but difficulties in securing strong sponsorship elsewhere combined with the marked preference of Quebec for private ownership may end in some such arrangement—an arrangement which would not lessen the chances of Montreal Power for market leadership.

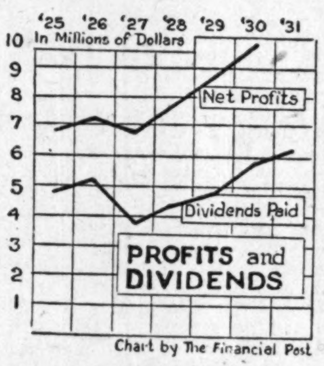
Politics and Power?

At this juncture two closely related points might be raised, the prospects of competition and the possibilities of political interference —which is so apt to influence the outlook for utilities. At present, Montreal Power has the field to itself. Moreover any possibilities of competition seem to be rather strictly limited by the franchises held by "Power" and its many subsidiaries. Nor does there seem to be any imminent danger of political interference although political barometers are notoriously inaccurate. The provincial administration in Quebec has steadfastly avoided all tendencies toward public ownership and has co-operated with such corporations as Montreal Power and Shawinigan. In fact, Sir Lomer Gouin, so long head of the provincial administration, became a director of Montreal Power after his retirement. If at the approaching election, the present strongly entrenched administration were to be ousted the new government would probably be less friendly than is Mr. Taschereau's; but that such a change of attitude would materially affect "Power"—except perhaps in the matter of Beauharnois—is difficult to believe.

Market History

Why should a stock paying only $1.50 sell between 46 and 48 to yield 3¼ per cent or less? The answer is to be found largely in the record of Montreal Power, both as to steady growth and as to the not unpleasant experiences of faithful shareholders. A few figures have already been given to illustrate the remarkable physical growth of the company. That physical growth has been accompanied by a corresponding increase both in net earnings and in disbursements. The old Montreal Power had a remarkable history before the war and the new company, Montreal Light, Heat and Power Consolidated, has also made a remarkable record for steady development, financial strength, generous treatment of shareholders and market leadership in the last decade. It is needless to annoy the reader by reminding him that if he had bought 10 shares of Montreal Power in 1921 at 85 at a cost of $850 he would now have 60 shares which could be sold even today for $2,760 or more, not to mention a $500 bonus in 1926 (10 shares of preferred at $50) and steadily increasing dividends in the interval. Perhaps he did buy them; and if so, he will need no explanation of the popularity of a stock which apparently yields only 3¼ per cent or less. Add to this the great financial strength of "Power" —with a current ratio of 6.3 to 1, with liquid capital rapidly increasing as subscriptions to the new stock are paid in monthly by customer-shareholders, with a unique record among Canadian stocks for strength, stability and market leadership, and with the potentialities that follow from the possession of liquid funds of $45,000,000 or more, available for investment in other power stocks at a time when bargains for the long-term buyer are numerous.





As Utility Holding Company

The annual report for 1930 states that shareholders, customers and employees together subscribed for 993,687 shares at $50, which would mean more than $49,000,000 of new money costing the company only 3 per cent. Thirty millions or more are already available and part of this has been invested — as a comparison of the report of 1930 with the report of 1929 would indicate if no other information were available. Details of these investments unfortunately are lacking, but it is not difficult to believe that a management thoroughly conversant with utilities is likely to secure some attractive bargains under present conditions. The possibilities of this investment fund furnish an additional reason for regarding "Power" as a potential market leader.

According to recent returns, Montreal Power is continuing to make a good showing in spite of adverse general conditions. Thanks to expansion from household sources, sales of electricity so far this year have been well maintained notwithstanding some shrinkage in industrial demand. Several thousand customers for electricity and gas have been obtained already this year, so that a part at least of the usual growth is being registered. Dividends for the first six months are reported to have been earned twice over before depreciation and after allowing for a half-year's depreciation at the company's customary rate, 10 per cent of gross earnings—a generous allowance—the six months' dividend has been earned almost 1.8 times, a margin of earnings over dividends which few corporations nowadays can equal. Last year $2.19 per share was earned (after the usual heavy depreciation); this year, to judge by present results, a still more satisfactory showing may be expected.

"Power" has long been recognized as one of the leaders on the Montreal Stock Exchange. (It is also quoted on the Toronto Curb.) In view of its excellent record during a very trying period, its great financial strength, its prospects of continued growth and the possibilities of its investment fund, it does not seem to be unreasonable to expect its market leadership to be maintained.

EMPIRE PRODUCE FAVORED IN U. K.

Empire Marketing Board Notes Increase in "Empire" Habit

A steady increase in the sales of Empire produce in the United Kingdom is recorded in the annual report of the Empire Marketing Board just published.

"The growing habit of buying from within the Empire has attained an impetus in the United Kingdom," states the report, "which even the world-wide economic depression has been powerless to retard."

Twenty-two commodities, drawn from four Dominions and several colonies, were noted in the annual report for 1928-1929 as having been imported into the United Kingdom in the previous two seasons in greater quantities than ever before in their histories. Again, the report for 1929-1930 showed that twenty-five new records had been set up, in the year then under review, by Empire foodstuffs, as regards volume of imports into the United Kingdom. Nearly half these did even better in the year now being considered, while a further substantial list of Empire foodstuffs established records. Among these, apples from Canada reached a total of 2,092,000 cwt. as compared with the previous record of 1,860,000 cwt. set up in 1923. Canadian pears also were imported in larger quantities than ever before, the amount in 1930 being 64,000 cwt. as against the 1928 record of 60,000 cwt.

The people of the United Kingdom are proving themselves steadily more willing to buy from within the Empire. Many factors have combined to bring about this encouraging result. First, more scientific attention is being paid today than ever before by Empire producers to the need for supporting the natural high quality of their goods by grading and orderly marketing in all its branches. Secondly, distributive traders of all kinds in the United Kingdom have shown themselves wholeheartedly resolved to further the progress of Empire buying along sound economic lines. Thirdly, the contact between producers overseas and wholesale and retail traders in the United Kingdom grows steadily closer. Fourthly, consumers in the United Kingdom, men and women, are becoming more aware of the excellent and wide range of Empire products and of the importance of Empire buying.

Peace River Expects Record Crops

Peace River's crop prospects are exceptionally rosy and settlers everywhere are talking of a yield equal to the banner crop of 1927, if not better.

Copious rains have fallen in all parts recently and any possible question of lack of moisture is now removed.

CONSERVATIVE

A sane conservatism in handling its own affairs and the business of all clients is one of the fundamental principles upon which this Trust Company is built.

Crown Trust Company

CROWN TRUST COMPANY · EXECUTORS · TRUSTEES · AGENTS

Authorized Capital	$5,000,000
Paid-up Capital	1,000,000
Reserve Fund	400,000

St. James Street · Montreal

Canada's Salt Output Increased in Value, 1930

Salt production in Canada during 1930 amounted to 271,695 tons, being 17.7 per cent below the figure for 1929, according to final statistics just issued by the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics. Value of the 1930 production, however, was $116,545 higher than the previous years $1,578,086.

Shipments amounted to 8,758 tons as compared with 9,359 tons in 1929, the average 1930 price being $10.05 as against $8.70 per ton in the previous year. Imports totalled 128,385 tons, 27.2 per cent less than in 1929, the value of $660,903 being 29.4 per cent lower.

Canada's first synthetic ammonia plant was established at Sandwich by Canadian Industries, Ltd., during the year.

Wool Clip Below Needs

Canada's total wool clip is about 21,000,000 pounds annually, while Canadian mills use at least twice as much as this every year.

AN Immediate Decision

BUSINESS meetings often bring together executives whose time is worth thousands of dollars. Frequently their action depends upon the decision of someone a thousand miles away—the president of the company, or their biggest customer. Immediate consultation with him is essential to avoid costly delay.

Right while the meeting is in progress they call him on the telephone. Over the wire comes his reassuring "Go ahead!" Such messages speed over telephone lines day after day.

A great part of Canada's telephone equipment that puts this business service on your desk is made by the Northern Electric Company.

Northern Electric COMPANY LIMITED

A NATIONAL ELECTRICAL SERVICE

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Utilities and Transportation

CANADIAN HYDRO EARNINGS RANK EQUAL WITH 1930

Returns for June on Same Basis as for Year Ago

From Our Own Correspondent

MONTREAL.—Consolidated net revenue available for dividends of Canadian Hydro-Electric Corp. and subsidiary companies in June, amounted to $149,334. This includes income of Gatineau Power Co. and takes into consideration all charges, including depreciation, and compares with $149,438 in June of last year.

Earnings for June, 1931, were equivalent to over two and one-third times that month's dividend requirements on the corporation's 6 per cent cumulative first preferred stock.

Gross is Higher

According to an official statement of the company, gross revenue, including other income, totalled $743,079 during June last, as compared with $699,326 for the same period last year. Increased interest charges and depreciation allowance, cut down the balance available for dividends.

Full particulars of the profit and loss account for June, 1931, and 1930 follow:

	Month of June 1931	1930
	$	$
Gross rev. (inc. other inc.)	743,079	699,326
Net before int. & dep.	635,957	593,970
Bal. for divds. after int. and dep.	149,334	149,438
Divds. on Can. H-E 1st pref. stock	62,500	62,500
Net added to surplus	86,834	86,938

Earn $16.35 on Preferred

For the fiscal year ended June 30, 1931, net revenue of Canadian Hydro-Electric Corp. available for dividends was $2,044,076, or $16.35 a share on the first preferred stock. This compares with $1,484,446, or $11.88 a share in the twelve months ended June 30, 1930.

Gross revenue for the year past was $8,826,433, against $7,791,036 in the preceding twelve months' period. Even after allowing higher charges for interest and depreciation, the net added to surplus for the year ended June, 1931, was $1,294,076, compared to $734,446 in the preceding year.

Larger Surplus Forward

Comparative statements for the twelve months ended June 30, 1931, and 1930 follow:

	12 mos. ended June 1931	1930
	$	$
Gross revenue (inc. other inc.)	8,826,433	7,791,036
Net before int. & dep.	7,492,621	6,536,519
Bal. for div. after int. and dep.	2,044,076	1,484,446
Div. on Can. Hydro-El. 1st pref. stock.	750,000	750,000
Net added to surplus	1,294,076	734,446

Output Still Ahead

Output of electric energy of Canadian Hydro-Electric Corp. in the first six months of this year was 1,226,283,000 kw.h., one per cent greater than its output in the corresponding period of last year.

For the twelve months ended June 30, output was 2,546,818,000 kw.h, an increase of 9 per cent over that for the preceding year.

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FRANK A. ELLIS, A.M., Am. Soc. M.E.
J. GORDON REED, M.A.

COST REDUCTION

THROUGH LOGICAL ECONOMIES IN MATERIALS AND PROCESSES CAN BE BEST OBTAINED BY EMPLOYING THE SERVICES OF AN INDUSTRIAL CHEMIST WITH PRACTICAL KNOWLEDGE AND EXPERIENCE.

MILTON HERSEY COMPANY, LIMITED
Industrial Chemists and Engineers
MONTREAL-WINNIPEG

Mont. Power Will Lower Funded Debt

From Our Own Correspondent

MONTREAL.—Out of the proceeds of its customer-stock ownership campaign, Montreal Light, Heat and Power Cons. has earmarked approximately $10,500,000 for the redemption of two bond issues brought out by a subsidiary company.

The first redemption will be that of Montreal Light, Heat and Power Company first mortgage and collateral trust bonds, carrying a 4½ per cent coupon and maturing January 1 next. The amount of this issue outstanding totals $7,500,000 of which $1,174,000 are in the treasury of the company, held as collateral for the parent company's bonds.

Another Due in 1933

The Lachine Sinking fund 5 per cent of the bonds of the same company mature on April 1, 1933. Original offering consisted of $4,000,000, but through the operation of the sinking fund, the amount outstanding has been reduced to $3,120,000 at the end of last year.

There is no official intimation as yet whether or not the latter bond issue will be called before maturity, say at the beginning of next year when the senior issue will be redeemed.

Retirement of these two issues will effect a saving to the company, inasmuch as the new money being received from customers is on a 3 per cent basis.

SOUTHERN SHORE FIELD ATTRACTS UTILITY GROUP

Montreal Concerns Carrying on Work Along South Shore

From Our Own Correspondent

MONTREAL. — Montreal utility enterprises, in association with McColl-Frontenac, are taking an active interest in the effort to secure commercial production of crude oil or natural gas along the south shore of the St. Lawrence River, between St. Hyacinthe and Three Rivers. Montreal Light, Heat and Power Cons., Southern Canada Power, Montreal Coke and Manufacturing, and Shawinigan are participating in this venture.

It is stated initial drilling will be carried out by the South Shore Oil Lands, Ltd., and while Shawinigan was working in conjunction with the Hope Engineering Co., presently operating at St. Denis, all of the companies mentioned are sponsoring the development being carried out by the South Shore Co.

Interest is Protective

The interest of these companies in the enterprise at present is largely of a protective nature. Deposits of oil and gas are known for many years to exist in the St. Lawrence Valley, but to date discoveries have been of a minor character. There is always a possibility, of course, that a commercial field can be developed, and it is on that account, that the present move was undertaken by the Montreal organization.

A number of other companies and syndicates are already actively working in the field. Among these are the Alberta Gas & Fuel Co., a subsidiary of Henry L. Doherty Co. of New York, which has control of about 150 square miles of land; the Provincial Gas and Oil Co., which it is said, will start drilling shortly; the South Shore Oil Lands Ltd., which has 250 square miles; St. Lawrence Gas and Oil syndicate, a Montreal group, whose activities have been commented upon by the Better Business Bureau, which has holdings north of St. Hyacinthe; and Louis Brochu, Montreal, who has holdings totalling about 700,000 acres in the St. Hyacinthe district.

Power Corporation Offer Before Regina Voters

From Our Own Correspondent

REGINA.—The city council have definitely decided to submit to the ratepayers a bylaw for the granting to Power Corporation of Canada a franchise to bring natural gas from the Bowdoin field in Montana and distribute it in the city. The aldermen satisfied themselves of the company's ability to furnish gas, and also of its immediate financial resources. It is generally believed that the by-law will pass, for although a by-law to grant a gas franchise to other interests was only recently defeated, there were some special factors involved which will not recur again. The whole project is estimated to cost some eight million dollars and work is to commence practically as soon as the by-law is passed, if it is carried.

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There is an unrivalled quality to *COGHLIN Products* that Canadian Manufacturers appreciate.

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CAN. STEAMERS FACE PROBLEMS; NEW SETBACKS

Possible Liability Due to Lock Damage—Cut Tariff

From Our Own Correspondent

MONTREAL.—Two developments have taken place of late in connection with Canada Steamship Lines, which will, in all likelihood, have a bearing upon its financial statement for 1931.

The first is the introduction of reduced rates for St. Lawrence River cruises and at the Manoir Richelieu, Murray Bay, for the balance of the season. The new schedule announced by the company is as follows: Montreal—Saguenay River and return, $35.50; Montreal Murray Bay and return, $23.10, meals and berth included; Manoir Richelieu, minimum rates reduced to $10 per day, including room and meals.

The lower rates are expected to be offset by increased patronage, the opinion being that with the reduction a number of people from Montreal and other cities will take advantage of the lower prices to make the St. Lawrence and Saguenay trip.

Big Lawsuits Possible

The second development is of a more serious nature—the accident to the company's boats, S. S. Rapids Prince, which crashed into a lock gate at the eastern end of the Lachine Canal. Considerable damage to property of the Department of Public Works, and shipping of other companies resulted from the down-flow of water that drained a section of the waterway and placed several grain boats on the bottom. In addition, traffic was held up in the lock system by broken gate and debris washed down.

The damage resulting from this accident is generally estimated to be around $300,000. Whether or not Canada Steamship Lines will be liable for payment of this amount, may depend upon the official investigation which is being carried out at present.

Retire More Bonds

Trustees of Canada Steamship Lines 5 per cent consolidated mortgage debenture stock and bonds, due 1943, are prepared to receive offers up to August 14 next for the purchase of these bonds up to a sum of approximately $349,060, which sum will be paid by the company to the trustees for the purpose of the sinking fund.

According to the company's balance sheet, the amount of 5 per cent consolidated mortgage debenture stock outstanding at the end of last year was $2,968,008. Operation of the current sinking fund payment, on the basis of par value, would reduce the amount of these bonds outstanding to $2,618,948. It is possible that the trustees will receive offers of these bonds at less than their par value, which will permit the retirement of the larger amount.

Dominion Water Power Issue Volume 65 of Survey

From Our Own Correspondent

MONTREAL. — Dominion Water Power and Hydrometric Bureau of the Department of the Interior has issued Volume 65 of the Water Resources papers which deal with the surface water supply of Canada. This number contains the results of investigations made by the Dominion hydrometric survey during the climatic year October 1, 1928, to September 30, 1929, in British Columbia.

The report contains a short explanation of the purpose and scope of the work and 229 pages of stream flow and meteorological data, with an index map showing drainage areas and the location of the gauging stations. Copies may be obtained free of charge on application to the director of the bureau at Ottawa.

B. C. Electric Appliance Sales Well Maintained

From Our Own Correspondent

MONTREAL. — British Columbia Electric Railway, controlled by B. C. Power Corp., reports sales of 1,113 electric appliances during June last, equivalent to 1,006 kilowatts connected, with an estimated annual revenue of $8,029. This compares with sales of 1,351 appliances, equivalent to 1,006 kilowatts connected and an estimated annual revenue of $7,456, in the same month last year.

Gas appliance sales by the same company during June last totalled in value $15,097, representing an estimated annual revenue through the sale of gas of $7,552. For June of last year, gas appliance sales totalled $20,621, the estimated annual revenue $9,470.

Nova Scotia Steel and Coal Making Record Castings

From Our Own Correspondent

MONTREAL.—Nova Scotia Steel & Coal Co., subsidiary of Dominion Steel and Coal Corp., has started on one of the largest forging jobs ever undertaken at its Trenton plant. Contract calls for three shaftings, each weighing 43 tons to be supplied to the Canadian General Electric Co. for installation in a hydro plant.

The huge ingots from which the shaftings are to be made will be moved by means of a fifty-ton crane. Before these are ready for the large press and hammer, they will be subjected to an intense heat for 124 hours.

The Trenton plant, it is said, was the only one in Canada with facilities capable of handling this order.

Alex. Taylor is Appointed Head Lake Superior Corp.

From Our Own Correspondent

MONTREAL.—Alex. Taylor, formerly vice-president of the Lake Superior Corp., has been elected to the presidency of that enterprise following upon the resignation of Frank B. Common, K.C., who will retain a place on the directorate and will also act as general counsel for the corporation.

The resignation of Mr. Common follows the completion of the capital reorganization and readjustment plan which he largely directed. Now that the entire scheme of arrangement has been completed, approved by Act of Parliament and declared effective and the securities of Algoma Consolidated Corp. now in process of distribution, Mr. Common asked to withdraw in order that he might devote his entire attention to his legal practice.

Mr. Taylor has been connected with the organization and its subsidiary undertakings for some twenty years. He is widely known in Canada, United States and England through his long association with the industry.

Union Gas Report Shows Development In Ontario Fields

Consolidated Statement Gives Effect to Acquisitions

WILL FINANCE

Assets Are $37,457,230; Gross Revenues Were $7,928,061 in 15 Mos. Period

Financial statement of Union Gas Co. of Canada, Ltd. and its subsidiaries, covering the 15 months period ended March 31, 1931, gives ample evidence of the expansion of this utility company in south-western Ontario. Formerly, Union Natural Gas Co. of Canada, the company has operated in the Border Cities, Chatham and Sarnia areas for more than 25 years, while more recent developments include the acquisition of City Gas Co. of London and United Fuel Investments, Ltd., of Hamilton. The latter company controls United Gas & Fuel Co. and its associated companies, Hamilton By-Products Coke Ovens, Ltd., and United Suburban Gas Co.

The present report is for a period of 15 months due to change of the company's fiscal year to end on March 31 rather than December 31. Inclusion of the operating results of the acquired companies from date of acquisition is also made with the result that the figures presented are not comparable with figures for previous years. Net profit for the 15 months period is shown at $1,385,169, after depreciation, which includes the earnings of the Hamilton and London subsidiaries from July 31, 1930. After deduction of provision for income tax of $58,100, dividends amounting to $315,000 on the preference shares of United Fuel Investments Ltd. and $1,311,216 of dividends paid on shares of the Union Natural Gas Co. of Canada, the company shows a deficit of $299,147 for the period. The winter of 1930-31 was exceptionally mild however and sales were also affected by the business depression.

Increase Surplus

Surplus as at January 1, 1930, was $167,278 to which is added $386,674 through reversing provision for depletion made in 1929. After providing for the deficit in the last fiscal period the surplus carried forward at March 31, 1931, is shown at $254,804.

Gross revenues from sale of products during the entire 15 months period are shown at $7,928,061. Coke sales accounted for $2,472,776, of which $2,054,830 was wholesale and $417,945 was retail sales. By-products, including ammonium sulphate, tar and motor benzol accounted for $555,095. Artificial gas sales totalled $1,744,924 and natural gas sales $3,155,267.

CONSOLIDATED PROFIT AND LOSS
For Fifteen Months Ended

	March, 1931
	$
Net profit from oper.	2,497,788
Int. earned on bonds	8,883
	2,506,671
Less:	
Int. on bank loans, etc.	240,841
Bond int. constituent co's	220,434
Depreciation and renewals	582,899
Prov. for amortization	77,328
Profits	1,385,169
Income taxes	58,100
Net profits	1,327,069
Pref. divs. United Fuel	315,000
Div. Union Natural Gas	1,311.216
Surplus	*299,147
Prev. surplus	167,278
Add: Prov. for depletion, 1929	402,433
Less Prov. for develop. cost def. 1929	15,759
Consolidated surplus	254,804

*Debit.

The consolidated balance sheet of the company shows total assets of $37,457,230 of which $33,924,621 represents property account and construction work in progress. This total is exclusive of gas reserves developed. Current assets total $2,069,521 as against current liabilities of $1,145,953. Cash and government bonds amount to $412,339, accounts receivable, after reserve, to $811,603, and inventories as certified by the management at $845,578. Sundry assets amount to $197,970, deposits with trustee for bond issues to $12,405 and deferred charges and prepaid expenses to $187,799.

Financing Necessary

The two major current liability items consist of $383,000 in bank loans for current purposes and $416,629 in accounts payable and accrued charges. In addition to current bank loans there are special bank loans of $6,065,800 to be retired by permanent financing. These loans were incurred in the refunding of certain underlying securities of Hamilton subsidiaries, in expenditures connected with extensions and in the purchase of City Gas Co. of London. Permanent financing has been delayed pending improvement in general investment conditions, but it is anticipated that it will be carried out at an early date.

Other liabilities include $380,200 in mortgages payable and balances payable on sales agreements. Reserves for depreciation and renewals total $4,959,439. First mortgage bonds and preferred stock of subsidiary companies outstanding total $13,591,800 and the minority interest in common stock of United Fuel Investments Ltd. is carried at $9,264. Capital and surplus of the company is shown at $11,304,775, represented by 705,881 common shares of no par value. Of this total, $254,804 is consolidated earned surplus and $11,049,970 is capital issued including surplus arising from revaluation of assets, less amounts repaid to shareholders.

Included in securities of subsidiary companies outstanding are the following obligations ranking prior to the company's common stock:

$9,000,000 of 6 per cent preferred of United Fuel Investments, $1,820,500 of 5½ per cent first mortgage bonds of United Gas & Fuel Co. of Hamilton, $1,385,800 of 7 per cent bonds of Hamilton By-Product Coke Ovens, $233,500 of 6 per cent bonds of City Gas Co., London, and $1,152,000 of 5 per cent bonds of Windsor Gas Co. These items total $13,591,800.

Operating over 2,000 miles of mains and serving more than 70,000 gas consumers, the company includes in its market towns and cities in Southwestern Ontario having a total population of 500,000. The company owns gas leaseholds on more than 400,000 acres in the Tilbury, Dover, Dawn and Haldimand gas fields on which are located 410 producing wells. Estimated natural gas reserves of the company are stated to be in excess of 100,000,000,000 cu. ft. while gas manufacturing plants are located in Windsor, London and Hamilton. Gas storage facilities aggregate 8,600,000 cu. ft. The by-product coke oven plant at Hamilton produces coke, motor benzol, ammonium sulphate and tar in addition to gas which is distributed in Hamilton.

Extensions and improvements include an oil-gas plant at Windsor to supplement the supply of natural gas from the Tilbury field at times of peak demand on extremely cold days. This plant, completed in 1929, has a daily capacity of 5,000,000 cu. ft. but so far has been used but little. The company has a storage capacity of 2,000,000 cu. ft in the Border Cities and a new ten-inch transmission line from the Tilbury field is an additional assurance of a constant supply of fuel for the company's customers.

The Dawn Field, where the company has considerable interests, now supplies municipalities of Wyoming, Inwood, Alvinston, Florence, Thamesville and Bothwell. This is new territory for Union Gas and it is stated that excellent progress has been made in securing customers.

Two of the largest gas wells ever discovered in Ontario were recently brought in by Union Gas in the Dawn field. The success achieved in 1929 in the D'Clute field has resulted in further drilling.

City Gas Co., London, S. A. Morse, president of the company, points out, has approximately 14,000 meters connected. The company has a perpetual franchise for the area which has 75,000 population. The present gas-holder capacity is 600,000 cubic feet. It is intimated that an intensive development of this gas market is planned.

The Hamilton companies, says Mr. Morse, are in a strong position with respect to the gas market. He summarizes the Hamilton situation as follows:

"An announcement to the United Gas and Fuel Co.'s franchise was negotiated with the city of Hamilton in 1931 and validated by the Ontario Legislature at its last session. Under this amendment the United Company's franchise has become an exclusive one for ten years in return for a lower base rate for gas during the same period, and the original terms of the franchise, which is a perpetual one, will again come into force at the expiration of the above term."

The company is planning a further development of its gas market in Hamilton with particular regard to house heating. It was with this end in view that the company acquired producing properties in the Haldimand field, 35 miles from Hamilton. A pipeline has been constructed from the field to Hamilton so that natural gas can be delivered in that city at any time it is desirable to do so.

Canadian Pacific Declare Dividend

From Our Own Correspondent

MONTREAL. — Action of the directors of the Canadian Pacific Railway Company in declaring a quarterly dividend of 31¼ cents a share, same being payable October 1 to shareholders of record September 1, allays, at least temporarily, the fear held in some quarters that the company would be forced to forego dividends in view of the sharp restriction in earning power.

This is the second declaration on the "interim" basis. There is no definite assurance that the new rate will be continued. Much depends upon the movement of the grain crop. If this is again of restricted proportions, it is hardly conceivable that the management will go on paying dividends, unless of the belief that earnings will pick up before long.

Births More, Deaths Less Statistics for 1930 Show

Live births numbered 243,291 as compared with 235,415 in 1929 and gave a rate of 24.5 per 1,000 population as against 24.1 in the preceding year, according to preliminary statistics issued by the Dominion Bureau of Statistics.

There were 109,245 deaths in 1930 being a rate of 11.0 per 1,000 population. For 1929, a year with heavy influenza mortality, the number was 113,515 and the rate 11.6. The leading causes of death were diseases of the heart, the rate being 132 per 100,000 of population, (135 in 1929); cancer 93, which is compared with 81 per 100,000 in 1926; tuberculosis with a rate of 81, pneumonia with 74, diseases of the arteries with 66, diarrhoea and enteritis mainly among infants) with 61 and nephritis with 56 per 100,000 population.

Deaths of children under one year of age (exclusive of stillbirths) numbered 21,735 being a rate of 89 per 1,000 live births as compared with a rate of 92 in the preceding year. The reduction in rate extended to all provinces except Manitoba, where the rate for 1930 was 71.8 as compared with 70.6 in the preceding year.

Economic conditions were reflected by the number of marriages in 1930, these being 71,645 and the rate 7.2 per 1,000 population as against 77,288 and a rate of 7.9 in 1929. Alberta and Saskatchewan showed most marked decreases.

Public Utility Earnings

Can. Hydro-Electric Corp.

	1931	1930
June—	$	$
Gross revenue	743,079	699,326
Net before int. & depr.	635,957	593,970
Bal. for div. after int. and deprec.	149,334	149,438
Divs. on Can. H-E 1st pfd.	62,500	62,500
Net added to surplus.	86,834	86,938
12 mos. end. June 30:		
Gross revenue	8,826,433	7,791,036
Net before int. & depr.	7,492,621	6,536,519
Bal. for divs.	2,044,076	1,484,446
Divs. on Can. H-E 1st pfd.	750,000	750,000
Net added to surplus	1,294,076	734,446

MONTREAL POWER LINEMEN DISAGREE

Go on Strike Following Refusal to Recognize Union

From Our Own Correspondent

MONTREAL.—Montreal Light, Heat and Power Cons. has refused to recognize the Canadian Electrical Union of Linemen and Helpers, in consequence of which about 175 linemen in the company's employ have gone on strike. About one half of these men are skilled workers and their places, as well as those of the experienced men, are being replaced by other help.

In an official statement, the company set forth its position in respect to the dispute with the linemen and among other things said: "The company is prepared as always to deal direct with its own employees, the majority of whom are of long standing, and in the interest of the public cannot tolerate the intervention of an outside organization which is able to threaten a highly important public service. The company states that it pays the highest wages in the province for the various classes of workers which comprise this group, the work scale ranging from 52 to 77 cents an hour plus extra."

Protect Own Property

Precautions have been taken by the company to prevent any vandalism. Since the walkout of the men, a certain amount of sabotage has taken place, and officials of Montreal Power give it as their opinion that the nature of the sabotage indicated clearly that it was the work of experienced men. Union leaders are emphatic in their declaration that the damage to the company's property was not done by any member of the Union.

Vulnerable points on the company's system have been further secured and additional police protection has been requested for equipment and lines department employees in order to obviate all electrical interruptions possible.

Avon River Power Co. Bids on Berwick System

From Our Own Correspondent

MONTREAL. — Avon River Power Co. has made formal offers to the town of Berwick, N.S., to purchase the municipality's electric light plant. The matter was brought up at a meeting of the town council, but no action was taken.

According to the last Government survey, the Berwick Electric Light Commission had over $60,000 of capital invested in plant and equipment in 1926. It operates a small plant on the south branch of the Annapolis River at Factoryville, with a distribution system in Berwick, Aylesford, South Berwick, Morristown and Somerset. At the time of this survey, total power generated during the year was 124,977 kw.h., of which 65 per cent was used for lighting, 30 per cent sold in bulk for distribution and 5 per cent for general power purposes.

Sales of Artificial Gas Establish Record, 1930

Value of products of the coke and artificial gas industry in Canada in 1930 was 8 per cent lower than the record provided by the previous year, amounting to $36,592,859. Production of artificial gas amounted to 35,297,532,000 cubic feet, sales establishing a new high level of 17,713,477,000 cubic feet valued at $13,471,629. Most of the remainder was used as fuel in the producing plants or in their associated metallurgical works.

Canada Northern Power Output Ahead of Last Year

From Our Own Correspondent

MONTREAL. — Canada Northern Power Corp. reports the generation of 34,211,970 kw.h. during April last, compared to 29,333,300 kw.h. for the same month last year. During the year ended April 30, 1931, production amounted to 381,979,050 kw.h. This compares with 350,004,110 kw.h. generated in the preceding twelve months, an increase of roughly 31,900,000 kw.h.

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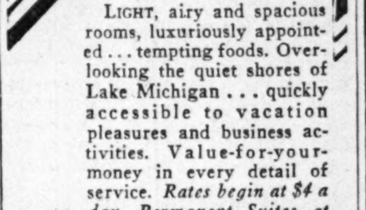

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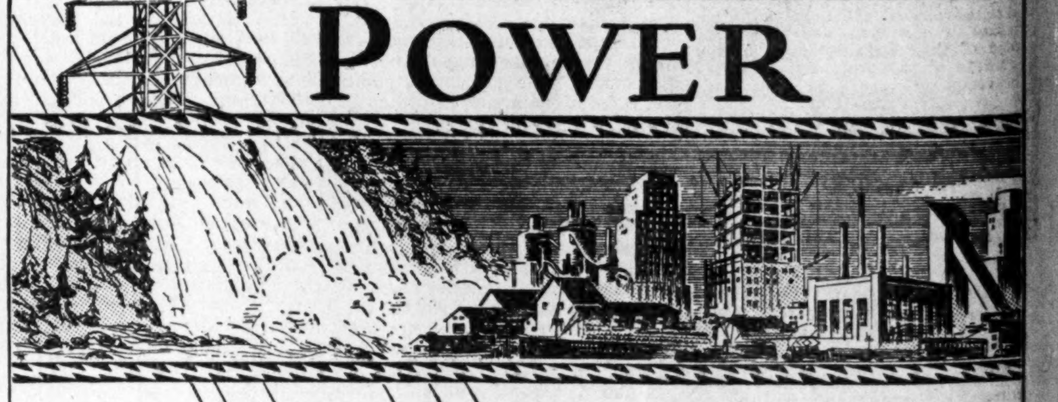
POWER



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East Kootenay Power Co. Limited
Northern B. C. Power Co.
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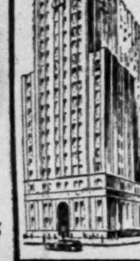

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News of Investment Markets

OFFER TO BUY VICTORY BLDG. IS TO BE MADE

Bondholders Would Get Second Mortgage Bonds and Stock

AFTER LEGAL SALE

Efforts to Complete Building Near Culmination After Many Months

Solution of the financial problem that has confronted 80 Richmond St. West, Ltd. for almost two years in securing sufficient funds to complete the Victory Building in Toronto is believed to rest in an offer that will shortly be formally made for the acquisition of the property, by a new realty company. While full arrangements are not as yet complete, the offer has the approval of the bondholders' committee, headed by John W. Gordon, and will be officially made after the judicial sale of assets of the company to be held on August 20. Ratification by the bondholders will be possible at a meeting to be held on August 26.

Of course if a cash offer is made for the property at the judicial sale, and this cash offer exceeds the reserve bid that has been fixed the offer that has been drawn up will not be made. Present uncertainty in financial markets makes a cash offer virtually impossible. The judicial sale will likely be little more than a formality, with no bids.

Repeated attempts made by official and unofficial interests to finance the property to completion have been made during the past year and a half and it is understood that on at least one occasion a deal was practically closed. The most difficult feature to be overcome was in securing some assurance that, once completed, the building would be reasonably well rented and it is believed that the present offer includes a very definite possibility of sufficient income from the completed building to assure coverage of fixed charges.

This offer differs from some previous ones in that it provides no immediate cash profit to the new owners.

Get Bonds And Stock

Under the terms of the offer a new first mortgage loan, not to exceed $600,000, will be placed on the property on the most favorable terms and rate of interest obtainable. The present bondholders will receive $546,800 of new second mortgage bonds in amounts equal to their present individual holdings and one share of no par value common stock in the new company for each $100 principal amount of bonds held. Lienholders will receive $78,200 of second mortgage bonds and 782 shares of common stock in settlement of their claims while the purchasers of the building will retain 6,500 shares of common, representing 51 per cent or control of the company. The second mortgage bonds will be dated January 1, 1932, maturing January 1, 1952. The first interest coupon will be payable on July 1, 1932. The interest rate on the second mortgage bonds has not been definitely established but will be not less than 5 per cent and may be higher, depending on the cost of placing the first mortgage.

Interest on the present first mortgage bonds was first passed on May 1, 1930, so that three coupons are now in arrears. Issuance of common stock of the new company to present bondholders will be made, it is stated, to help make up for non-payment of interest on the old bonds and any reduction in the interest rate that may be made when the new bonds are issued.

Are Well Protected

Provision is made in the agreement that should three interest coupons on the new bonds be not paid during the first five years the bondholders will become sole owners of the building. This will also happen if, at any time after January 1, 1935, the building is less than 75 per cent rented or 15 per cent of the previous year's rents are in arrears. As further security, no dividends are to be paid on the common stock of the company unless an amount equal to the amount of the dividend is set aside in a reserve fund until this fund amounts to, and is maintained at, $25,000. The bondholders of the new company will have three representatives on the board of directors which will consist of seven members. Directors and executive officers of the company shall receive a total remuneration not to exceed $500 per year.

The authorized capitalization of 80 Richmond St. West, Ltd. is $1,200,000 of 6½ per cent first mortgage bonds and 100,000 shares of no par value common stock. Sale of the bonds was handicapped by business conditions in 1929 and only $546,800 was issued. The present arrangement, approved by the bondholders' committee, provides for no increase in capitalization and while the original first mortgage bondholders are asked to accept a secondary position they receive an equity in the company and a security of principal not found in the provisions of the original financing.

The building, which has lain idle and in an uncompleted state since late in 1929, a few steps off one of the busiest streets in Toronto and in the heart of the city, will be completed to a height of 22 stories instead of the 24 stories planned originally. Work will be started in September, it is understood, providing that the building is not sold for cash at the judicial sale aud provided the bondholders ratify the sale on the above terms. Structural work was up to 22 stories when it was stopped in 1929 and the building remains to be surfaced and completed on the inside.

A sufficient sum, out of the new first mortgage loan, will be set aside to cover legal expenses, tax arrears and other carrying charges up to date and for the purchaser to pay legal and other expenses of incorporation, organization and renting the building. The management and leasing, together with the advertising expenses in connection with the building after completion are limited to 5 per cent and 3 per cent respectively, and this fee is to cover all future expenses in obtaining and renewing leases, whether direct or through real estate agencies.

Bondholders of the company authorized the placing of a first mortgage on the building to rank ahead of their investment in April, 1930. It was impossible at that time to secure the money needed to complete the building or to get a clear title to the property, while building costs were materially higher than at present. Had the building been completed a year ago, it is stated that it would have been impossible to rent the building while the plan now under consideration gives considerable promise. The proposed purchaser of the property is the British Empire Trade Corp. which intends to utilize the building as a focal point for the display and sale of products of the British Empire. It is understood that already a considerable number of trade commissioners, manufacturers and agents have signified an interest in the project and a desire to secure space.

C. G. I. TRUST MERGER RECEIVES APPROVAL

Shareholders of Third Trust Will Consider Plan in September

Shareholders of Canadian General Investment Trust Ltd. voted unanimously in favor of the proposal to exchange their shares for shares of Second Canadian General Investments Ltd. on a one for four basis at a meeting held on August 6. Some criticism of certain details of the amalgamation by shareholders in Victoria, B.C., is understood to have been answered to their satisfaction and this stock was voted in favor of the plan.

Details of the acquisition of the Third Canadian General Investment Trust Ltd. are understood to have been forwarded to directors of this trust in England and will be officially considered early in September. It is probable that a meeting of shareholders will be called in England in September to consider the terms of the offer. This procedure will entail less delay than if notices of meeting were sent out from Toronto and proxies had to be returned.

The annual meeting of the third trust was held in Toronto on August 10 and was of purely a routine nature.

Union Securities Corp. Acquires Tibbetts & Co.

Union Securities Corp., Toronto, has been formed to take over the assets and general business of L. R. Tibbetts & Co., together with the business formerly carried on by J. T. Frame and A. W. Carr & Co. Accounts of these firms have been taken over as at August 1.

Directors and officers of the new corporation are: Arthur W. Carr, president; J. T. Frame, vice-president; and L. R. Tibbets, secretary-treasurer.

Bond Redemptions

Prudential Trust Company is prepared to receive until three o'clock p.m. on August 14, 1931, at its Montreal office, 455 St. John Street, proposals to sell five per cent consolidated debenture stock and/or bonds, due 1943, of Canada Steamship Lines Limited, to be purchased by means of a sum of approximately $349,060 to be paid by company to the trustees for the purposes of the sinking fund.

	Rate	Due	Redeem.	Price
Bond Issues—				
Andian Nat. Corp.	*6%	1940	Sept. 1	105
B.C. Telephone .	4½%	1962	†Nov. 1	105
Cascade Water Power	4½%	1940	†May 1/32	100
West Kootenay Pr.	6%	1940	Sept. 1	110
Prov. L.H. & P...	*5%	1946	Sept. 1	105
Interlake Tissue Mills	*6%	1935	Feb. 1/32	101
Foreign Issues—				
Kingd. of Norway	*5%	1967	Dec. 1	100
Kingd. of Norway..	*6	1943	Aug. 15	100
Greek Govt.	*6%	1968	Aug. 1	100
Argentine Republic	4½%	1934	Oct. 1	100
Credit Consortium, Italy, ...	A	*1937	Sept. 1	100
Credit Consortium, Italy	B	*1947	Sept. 1	100
City of Olso, Norway	5½%	1946	Feb. 1/32	100
State of Monas Geraes	*6½%	1958	Sept. 1	100
Do., ...	*6½%	1957	Sept. 1	100
Paris Lyons-Mediterranean, R.R. Co.	*6%	1958	Aug. 15	100

*Called in part.
†Or before.

Bond Sales

VILLAGE OF HASTINGS, ONT.

R. A. Daly & Co. has been awarded $21,000 5½% 20-installment debentures of the Village of Hastings, Ont., at 105.02, cost basis 4.91%. Other bids reported, are:

Gairdner & Co. 104.623
J. L. Graham & Co. 104.387

SECOND GRADES GIVE GOOD YIELD; HOLD PROSPECTS

Careful Buyers Can Get Bond Bargains at Current Prices

SHOULD GO UP

Return of Confidence in Business Situation Would Cause Good Appreciation

For the careful investor who will take the pains to investigate before he invests there are interesting possibilities in many of the so-called second-grade bonds, in the opinion of many investment bankers. While no immediate upward price movement is predicted in such issues, it is held that prices are low enough to give remarkably good yields while security of many issues is such that there appears to be no cause for alarm as to any interuption in interest payments. The feeling is, that, over the next few months, private investors might well consider the addition of some of the better second-grade issues to their portfolio providing that their list already contains a sufficient amount of prime government and municipal issues.

Prices of high-grade bonds have reached a point where the yield to be secured is too low to attract many investors who are dependent in some measure on the income from their investments. Indications point to the conclusion that with any assuring news on the business situation there will be some revival of confidence on the part of the investing public and many of the second-grade bonds will attain a much wider demand with a resultant increase in price. This conclusion is amply borne out by the action of the second-grade bonds immediately following the Hoover proposal of a moratorium on war debts.

Immediately after the United States Government stated its willingness to co-operate in the relief of the critical situation in Germany, prices of all classes of securities surged upwards. The movement was much greater in the second-grade bonds than in the first grades and the abnormal gap in prices between issues of the two classes was closed considerably. Since that time, of course, prices have gone down, due to various conditions, but that strong upward movement is believed to be an indication of what may happen again when there comes a definite improvement in the business situation strong enough to counteract the lack of confidence that has prevailed for so long.

Spread Has Been Wide

A very material spread has prevailed for some time between prices of the highest grade bonds and issues designated as second-grade. Investors have lacked confidence in the second-grade securities and have remained out of the market. As prices of the high-grades have moved upward the yield to be secured on such issues has become reduced to a point where additional commitments failed to bring in the required income. Large institutional investors have found difficulty in investing funds that would give as high a yield on their investments as has been obtained in recent years while small investors, who are dependent to some extent on the income from their investments, have had an even more difficult time.

In the normal cycle, appreciation in the highest grade of bonds is followed by appreciation in the second grades, the movement passing down the scale until prices of equities have become well started on an upward movement. In the current depression, second grade bonds have shown a considerable lag behind the highest grade bonds due to a weak business situation and the undoubted difficulties being faced by industrial enterprises of almost every class. General sentiment has affected the securities of even the companies that appear to be the least affected by the depression and which have been able to maintain, and in some cases improve, their position.

There is no definite line that can be drawn between high-grade and second-grade securities. In Canada Federal bonds, including guaranteed issues, are placed in the highest category and are closely followed by the debentures of several of the provinces and the largest cities. Such issues are selling at retail prices to yield from 3.50 per cent to 4.60 per cent. Bonds of the prairie provinces are selling on a yield basis of 4.80 to 5 per cent in view of the somewhat strained financial situation in the West. Bonds of the lesser municipalities and political divisions are selling from prices that yield 4.50 per cent up to over 6 per cent.

Several of the well-seasoned public utility bonds yield an income of but slightly more than government bonds which is the strongest evidence of the high regard in which these companies are held, the ample security of the bonds and the stability of earnings. Included in this class are such issues as Bell Telephone 5's of 1955; Montreal Light, Heat & Power 5's of 1951; Montreal Tramways 5's of 1941; Quebec Power 5's of 1958; Shawinigan Water & Power 4½'s and 5's of 1970; Southern Canada Power 5's of 1955 and several others.

Few industrial bonds are selling in the same range as those of the better utility issues but Ogilvie Flour Mills 6's of 1932 are on a 4.60 per cent yield basis. Practically all industrial issues are selling at prices to return well over 5 per cent. It is in this latter class of security that the small investor may find bonds to add to a well-balanced list that will give an attractive yield at not too great a risk and with prospects of an improvement in marketabilty.

Needless to say, the investor should not sacrifice security for the sake of yield and should remember that as a rule the higher the yield the less the desirability of a bond from the strictly investment standpoint. But the investor who already has sufficient funds invested in the highest grade of government and municipal securities is now in a position to take advantage of the weak position of the second-grade bond market and buy at prices that are fairly well deflated. It is a "buyers' market" at the present time in this class of security and investors who buy carefully during the next few months are in a position to take advantage of the necessity of other investors who must sell or who lack the necessary confidence in the future. Purchases, however, should only be made on the basis of a willingness to hold for some time since an immediate resale market cannot be taken for granted.

Loblaw Profit Is Maintained; Sales Lower

Despite a drop in sales during the second four-week period of the current fiscal year, Loblaw Groceterias, Inc., showed an increase in profit for the period as compared with profit in the corresponding period of 1930. Sales for the four weeks ended July 25 were $1,106,768 as against $1,261,110, a drop of $154,342, or 12.2 per cent. Profit, however, increased to $64,593 from $62,419 in 1930, a gain of some 3.5 per cent. Increased profit is due to larger physical volume of sales while dollar volume has been affected by decrease in commodity prices. No stores have been opened in the interval.

Total sales reported since the beginning of the current fiscal year on June 1, amount to $2,234,936 and compares with $2,593,771 in the corresponding period of 1930, a drop of 13.8 per cent. Profit for the eight-weeks period amounts to 137,914 as against $134,603 in 1930.

Twin City Subsidiaries Seek Lower Property Tax

Application for a substantial reduction in municipal personal property taxes has been made by both Minneapolis Street Railway Co. and St. Paul City Railway Co. wholly-owned subsidiaries of Twin City Rapid Transit Co.

In the application filed in the respective cities last month figures are given as to the valuation of properties. The Minneapolis Street Railway Co. fixes its total personal property valuation for 1931 at $5,063,000, a decrease of $6,613,000 from the valuation as set by the tax commission in 1930 and compared with the company's 1930 figure of $8,666,000.

The St. Paul City Railway Co. names $1,696,000 or $4,407,000 less than the tax commission's 1930 figure and compared with the company's' figure of $3,443,000.

Foundation Co. Favored for Big Toronto Contract

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada's bid on a junction shaft and intake pipe of the new Toronto Waterworks, has been recommended by the Toronto Board of Control for acceptance. The amount of the tender is $788,500.

This is the second large contract which Foundation Co. has received in the past few weeks; the first was a contract to restore Berths 5, 6 and 7 up to and including the shed floors in the fire swept section of Saint John Harbor.

These two contracts will enable the company to maintain a fair degree of activity for some time to come.

Canners Offer To Buy Plant

Canadian Canners Ltd. will acquire a factory building in Amherstburg for $2,000 if the offer accepted by the Amherstburg council receives court approval. The plant has been idle for a long period and was formerly used by an automobile company and a glass company, both of which failed. The town took over the property following these failures.

DOMINION STORE SALES CONTINUE TO EXCEED 1930

Open 33 New Stores in Half Year — Should Earn Over $2

Showing the largest increase in sales to be reported this year, Dominion Stores Ltd. did $1,973,876 of business in four weeks in July, a gain of $163,184 or 9.01 per cent, over the corresponding period of 1930. Sales for the seven months ended July 25 total $14,772,331 as compared with $14,107,489 in 1930, a gain of 4.71 per cent.

Operations during the first six months of the fiscal year resulted in net earnings of $269,710 or 97 cents per share on the 277,715 shares outstanding. This is a new high record for the company and compares with $239,156 in the same period of 1930 and $268,724 in 1929. The company now operates 559 stores as against 504 stores a year ago.

Increase in sales has been made despite lower commodity prices due to the opening of 33 stores since the first of the year. Average sales per store in the first half of the current year amounted to nearly $23,000 as compared with some $24,400 in the first half of 1930. Opening of new stores in the period would tend to reduce the average sales per store while commodity price declines would also have an effect.

In 1930 the company earned $1.91 per share in the full year, of which 86 cents was earned in the first half. On this basis the earnings for the first half of the current year of 97 cents per share would indicate that the company would earn $2 per share by a good margin in 1931. Current dividend requirements for the year is $1.20 per share.

NASH CARS NOW SHOW FREE WHEEL

Can Be Added to Any New Series Model as Extra

A new kind of free wheeling is announced by the Nash Motors Co. as an added and optional feature of the four new, sound-proofed groups of Nash automobiles. It is Synchro-Shift-Safety-Free-Wheeling, a development exclusive to Nash, which may be had at slight extra cost on any model of the four new series cars. The synchro-shift-safety transmission continues as standard equipment on all models.

Actuated by a small shift lever, extending upward from the floor at the right of the driver, the new device can be applied or eliminated at will by shifting to the free wheel or out of it into the conventional drive. When applied, it operates in all three forward speeds, uncoupling the engine from the rear wheels whenever the motor is not actually driving the car and allowing the car to coast.

Bond Tenders

8 p.m., August 17, City of Three Rivers, Que.—$487,500, 5 per cent serial bonds, of which $55,000 matures over 40 years, are dated May 1, 1931, $255,500, dated Nov. 1, 1930, matures over 40 years and $177,000 dated Nov. 1, 1931, matures over 30 years. Denominations $100 or multiples of $100. Jacques Denechaud, treas.

12 a.m., Aug. 17, Township of East York—$199,000, 5 per cent 30-yr. public school debentures. W. H. Heaton, comptroller, 443 Sammon Avenue, Toronto.

Aug. 17, Town of Thessalon—$22,000, 20-yr. hydro-electric plant debentures. John O. Coulter, clerk.

6 o'clock, August 21, Municipality of Points Claire and Beaconsfield, Quebec—$30,000, 1 per cent 21-year serial debentures, payable at Bank of Montreal, St. Peter and St. James Sts., Montreal. J. J. Hunter, sec.-treas.

Aug. 21, (4 p.m.) Catholic School Commission of Three Rivers—$85,000, 4½ or 5%, 20-year serial debentures, dated May 1, 1931. J. M. Gregoire, sec.-treas.

Aug. 20, 10 a.m., Municipality of Shipshaw, P.Q.—$20,000, 5½% 20-year serial road improvement bonds, redeemable from June 1, 1932 to June 1, 1951. Capital and interest payable at the Banque Can. Nationale, Kenogami, Quebec and Montreal. Eugene Larouche, sec.-treas.

Aug. 15. Township of Ancaster—$43,000, 5 per cent, 30-yr. waterworks debentures. W. H. English, Reeve, Township Office, Ancaster.

10 a.m., Aug. 26, School Mun. of Drummondville, Que.—$40,000, 5 per cent redeemable annually until 1961, payable at Bank of Montreal, at Montreal or Drummondville. Gaston Ringuet, sec.-treas.

8 p.m., Aug. 26, City of Joliette—$50,000, 5 per cent bonds for construction of certain permanent works and purchase of apparatus and equipment. Bonds are redeemable serially from May 1, 1931 to May 1, 1961, and payable at the head office of the Banque Canadienne Nationale at Montreal or at one of its branches in Joliette and Quebec. Camille Bonin, sec.-treas.

Noon, Aug. 17, Pictou, N.S. — $30,000, 4½% debentures dated August 15, 1931, due August 15, 1961. Payable in Pictou. Purpose, paving. J. F. English, town clerk and treasurer.

Sydney, N.S. is asking for bids on $550,000 5 per cent debentures dated July 2, 1931, due July 2, 1951. Payable in Montreal, Toronto, Halifax and Sydney. Purpose, paving. D. J. O'Connell, city treasurer. No date specified.

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Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1930-31 $	Net income 1929-30 $	Common earnings 1931 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Agnew-Surpass	May 31	147,985	184,172	.97	1.43	...	273,911	201,899	7½	7¾	....
Mersey Paper	Dec. 31	172,702	......	*..	...	...	172,702	......	..	..	....
Wabasso Cotton	June 27	3,648	d 52,360	†.05	...	...	386,862	383,214	(20)	..	....

*Earnings on 6½ per cent pfd. stock, $3.45; dividends in arrears since July 1, 1930. No income account published for 1930.
†On 69,898 fully paid shares outstanding; 5 are only part paid up. d. Loss or deficit.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Notre Dame De La Doree ..	July 27	Dube, Leblond & Co.	5½%	....	$6,000	96	....
Hastings, Ont., Village of ..	Aug. 6	R. A. Daly & Co.	5½%	20-ins.	21,000	105.02	4.91

Restoration of confidence will make today's prices of many Canadian Industrial and Public Utility bonds look very low. If you have faith in the future of Canada you should look for investment opportunities today among the securities of those companies whose financial structure is sound and who are in a position to profit by improvement in business conditions.

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Limited
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320 Bay Street TORONTO | 85 Sparks Street OTTAWA | 65 St. Anne Street QUEBEC
570

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Surge Tanks
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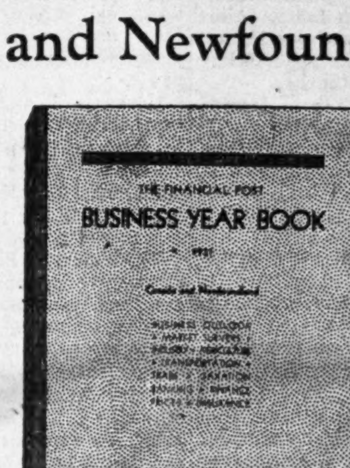
Built by:
HORTON STEEL WORKS LIMITED
Bridgeburg, Ont., 109 Janet St.
Montreal, 2178 University Tower
Toronto, 1452 North. Ont. Bldg.
Winnipeg, 1249 Galt Building

104,000 Imp. gal. Horton tank at the Government Aviation Training Field, Trenton, Ont. The tank is painted yellow and black for greater visibility.

A-683.

Facts Not Guesses About Canada and Newfoundland



The Business Year Book of 1931 is of particular interest to business men who want facts and not guesses when searching for new markets for their goods, and for accurate and up-to-date economic data about Canada and about Newfoundland. The 1931 Business Year Book is larger than any of its six predecessors due to the enlargement and revision of every chapter and the new features it contains. Over 220 pages. A few copies left. $2.00.

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TORONTO, AUGUST 15. 1931

WAS IT BAD ADVICE?

IT IS just a year since The Financial Post suggested that the wheat pools should voluntarily give to their members the privilege of selling their grain in the open market. In the storm of abuse that followed this suggestion, some things were said that are now interesting to recall. The pools, for instance, sent out broadcast a mimeographed sheet that contained these comments on The Post's suggestion, taken from a milling journal:

"In its issue of last week The Financial Post gave some very bad advice on the subject of financing the current crop year. The Post is usually a dependable paper, conservative, sane and inclined to be sensitive where principles and points of commercial honor are concerned. For at least this once it has been guilty of a grave error in editorial judgment. . . . It (the suggestion) is to the last degree mischievous and deplorable . . . ."

In announcing recently that members might if they wish sell their grain in the open market, the Alberta Wheat Pool said: "the adoption of this policy means that the Alberta Pool, as an association, foregoes its right under the contract to insist that the member deliver all or any portion of his grain on a pooling basis. . ."

Of course, the new pool policy of relieving members from contracts that have become intolerable to most of them is sound. Its adoption a year ago, however, would have been much sounder and would have financially helped many Western farmers last year. Was the suggestion of The Financial Post mischievous and deplorable? Was it bad advice? Time has answered "No."

GYPPING THE TOURIST

HOLDING up the summer resident because he cannot obtain the same goods anywhere else in the vicinity seems to be a favorite game of some Ontario farmers. A case in point is a very well known summer rendezvous, not so far from Toronto, in a district advertised by the Ontario Government as "Ontario's Playground." At this particular resort, summer residents are at present paying exorbitant prices for daily food necessities. To buy milk, one has to pay 18 cents a quart, and as for cream it is listed at 50 cents a pint. These prices do not include delivery. One has to get into his motor launch, or boat and paddle or row possibly two miles in order "to get delivery."

In times such as we are witnessing at present, with falling prices and bargain sales, such tactics will not serve to promote good feeling among prospective tourists.

Farmers stand to gain from a growing tourist traffic but should not kill the goose that can lay them so many golden eggs.

FAVORABLE BALANCE IN BORDER MIGRATION

ONE of the tragedies of the 1920-1925 post-war depression in Canada was the flight from Canada of many thousands of our finest citizens, many of them young university graduates or youths looking for a start in life. They flocked into American cities and enriched the economic and social vitality of those centres at the expense of Canada.

One of the comforting features of the current business depression is that no such movement has been stimulated. Great as has been the decline in business volume in Canada, our citizens find that our present condition is no worse than that of the United States, while our future prospects are quite as alluring. There is no southward drift; if Canadian business can be made to keep pace with United States activity there will be none on the heels of this depression.

In 1924, more than 200,000 Canadians entered the United States. This was for the American government's fiscal year to June 30. In the fiscal year 1931, just closed, less than 22,000 Canadians entered the United States to take up residence, the smallest number in many years, certainly the smallest since the war.

Even more significant is the fact that during the past year the number of immigrants from the United States has exceeded the number of emigrants to the United States and in addition we have been able to welcome home many returning Canadians, somewhat disillusioned by their experiences south of the border and glad enough to exchange their lot in that country for the opportunities afforded by Canada, even in its present state of comparative depression.

The figures in the following table tell a most remarkable story. They compare immigration to Canada from the United States with emigration from this country to the south. The incoming figures are for our own fiscal years to March 31; the outgoing figures, on the other hand, are for the United States fiscal years to June 30. The difference in dates robs the figures of some of their value for exact statistical comparison but they do not challenge the fundamental situation revealed for the various periods covered. Here is the record:

	Immigration From U. S.	Returning Canadians	Emigration to U. S.
	Canadian Figures to March 31		American Figures to June 30
1920	49,656	†	90,025
1921	48,059	†	72,317
1922	29,345	†	46,810
1923	22,007	†	117,011
1924	20,521	†	200,690
1925	15,818	43,775	100,895
1926	18,778	47,221	91,019
1927	21,025	56,957	81,506
1928	25,007	39,887	73,154
1929	30,560	33,798	64,440
1930	30,727	29,830	63,502
1931	24,280	30,209	21,687

†Not compiled.

Analyzing these figures further we find that they indicate that during this long period of post-war reconstruction we have steadily lost citizens to our great neighbor until this last year and that for the first time during the period covered Canada has gained more new citizens or regained more of her former citizens—which amounts to the same thing—than she lost.

During the period of roughly the last year we have had a net gain in our exchange of migrants with the United States of more than 30,000 which compares with a loss of more than 100,000 during 1925. Even 1925 was not the bottom of the last depression in Canada and if we had any record of returning Canadians for the year 1924, which was the approximate bottom of our post-war period of travail, the net loss would probably be revealed at more than 150,000.

The net loss or gain is shown in this table:

	Net Loss or Gain	
1920	Loss	40,369*
1921	Loss	24,258*
1922	Loss	17,465*
1924	Loss	180,169*
1925	Loss	41,302
1926	Loss	25,020
1927	Loss	3,524
1928	Loss	8,260
1929	Loss	82
1930	Loss	2,945
1931	Gain	32,802

*No allowance for returning Canadians.

The figures are of great significance and should prove stimulating to Canadians for they reveal that the fundamental faith in Canada's future, that has grown up in recent years among our own people, remains unimpaired by crop failures, declining prices and depressed business.

What will happen during the next few years remains to be seen. Should business recovery in the United States precede the turn here by any substantial period there might be some modification of the present satisfactory balance of migration flow. The trend will largely be dictated by the soundness of the management given to the national affairs of the country by those who are in command through the holding of political office or the direction of our great business and financial institutions.

TOO MUCH GOVERNMENT PROVES COSTLY

WHEN Governor Franklin D. Roosevelt of New York speaks of the excessive cost of local governments, he is discussing a problem which is common to both Canada and the United States. No citizen of New York state, the Governor points out, can live under less than four governments — federal, state, county and city. In some cases where there are fire, water, lighting, sewer and sidewalk districts as well as school boards there are ten layers of governments weighing down upon the taxpayer.

Governor Roosevelt says, "We cannot call ourselves either wise or patriotic if we seek to escape the responsibility of re-molding government to make it more serviceable to all the people and more responsive to modern needs."

The Financial Post knows of no community in Canada where there are ten separate governmental units operating simultaneously. There are as many as six in some centres, such as Montreal, where a citizen might be subject to the authority of the Dominion government, the provincial government, the Island of Montreal, the city government, the school government and the parish government.

The constant enlargement of governmental functions is the chief cause of our rising tax burden. In the main, governments follow rather than lead public opinion in the creation of new government functions and the current habit of getting up delegations to go to Ottawa, to one of the provincial capitals or to the city council chamber to ask for the establishment of a new department to do this or that is the chief cause of the rising tax burden. Business as a whole has not been free from guilt in this respect.

But another important cause of rising tax burdens is the tendency to more luxurious and extravagant governments particularly by provinces and in municipalities. We are almost governed to death and taxed to death to pay for it.

There is too much overlapping of government functions. In their desire to assume jobs that could be better done by private initiative, governments have vied with each other in creating new departments and in establishing new services. And where the supply of such services has run out there has been little hesitation to duplicate services already rendered by other governmental organizations.

The practical assurance that the Dominion Government will go out of the business of operating ocean vessels except on the West Indies route is one of the first steps in the direction of narrowing down government enterprise that we have had since the war, but it could be followed by many similar retreats in other fields.

IMMORTAL HEADACHES

THOSE individuals who frame worthless securities and hang them on office walls as a reminder of bitter experience, are deserving of something better than the mirth which generally greets this form of self-reproach. These mementoes, sometimes appropriately decorated with a neat ribbon of black crepe, are a constant danger-signal warning their owners of past investment weaknesses; they act as a brake on sudden impulses to take "fliers" on unknown quantities in the security market.

Investors, as a whole, are too ready to forgive themselves, their friends and the companies in which they have lost money, and forget their losses. They throw away worthless script with a wry smile; soon the whole episode is forgotten and they are ready to listen to the next worthless proposition which is put before them. Events in the past two years have probably cured a certain number for the rest of their lives, but there are many who will fling their good resolutions to the winds with the next era of prosperity.

Glancing through prospectuses of companies which have faded from this world it is almost incredible that the public could assimilate some of the statements embodied in them. Haphazard estimates of stupendous earnings; statements of production which were nothing short of preposterous and prophesies of success which were sadly misleading; all these may be found in many musty circulars issued in the past decade. It might be well for the next generation, let alone the present, if there were more framed relics of the headaches which follow an investment spree.

MONEY IN THE BANK

MONEY in the bank may be less a sign of prosperity than of business fright. Savings deposits are rising in Canada and this is being interpreted as evidence of better business. It might more correctly be interpreted as evidence that money is not being invested in business enterprise. There is no shortage of money on this continent but it is not being directed to where it could be most useful in stimulating business. That will come in time as confidence returns. Money is always tightest when we appear to be most prosperous; always easiest when depression seems to be most serious. The credit situation is one of the governors of business and if freed from excessive artificial control, could help to influence trade toward greater stability.

Another factor in business that is usually misread as evidence of prosperity or otherwise is the balance of trade of Canada. When we have a favorable balance of trade we speak of it proudly and when our balance of trade is unfavorable we think the country has gone to the dogs. A little examination will reveal that over a term of years Canada has had, generally speaking, unfavorable balances of trade when it was enjoying the greatest measure of prosperity and favorable balances of trade when conditions were quiet. The periods during which we have had unfavorable balances of trade are the periods during which large amounts of foreign capital were pouring into Canada and being invested in railways, power plants, farm lands and other developments. The periods during which we have had favorable balances of trade have been chiefly the eras in which the purchasing power of our people was at its lowest ebb. There have been exceptions but, taking the exceptions into the average, the above statement is backed up by the facts.

EDITORIAL NOTES

The Ontario Hydro-Electric Commission is now being criticized for not having a well organized publicity department. A publicly-owned enterprise of this kind should make available to the public all the essential facts concerning its operation but business men generally probably feel that the Hydro is being better run today than in the Beck days, when its propaganda machine ran riot.

* * *

Liberals on the inside at Ottawa are discussing the future of Mr. King as leader. They are looking for a new Moses. The experience of the Ontario Liberals proves that a new leader is not very easy to find or develop. No one quite knows who leads the Liberal party in Ontario and those who have an idea do not know in what direction he is moving. A new light shines on the Liberal horizon at Ottawa in the person of Ian Mackenzie, from Vancouver, who showed considerable courage on the Beauharnois inquiry until the last minute when he seems to have joined in the general rush to cover. But this Gaelic-tongued, sharp-witted, ex-provincial cabinet minister should be watched; he promises to be a big factor in public life in Canada.

POST-scripts

EVEN the largest and strongest banks must be prepared to face a run on any branch at any time. In opening new branches Canadian banks must consider geographical relationship to other branches in order that funds may be rushed to meet a sudden onrush of withdrawals. This applies particularly in districts where there is a large foreign population.

A few years ago when there was a run on a medium size Canadian bank in one small section of Toronto the contagion spread and soon every branch of that bank in the city was subjected to a pressure for money that taxed its resources. Other banks came to its rescue and poured in the necessary currency and silver to enable every nervous depositor to get his money on demand. This led to some incidents that were rather nerve-racking at the time, but that now may be viewed with some amusement. In one suburban branch, money was being withdrawn rapidly and those who withdrew it were taking it across the road to the neighboring branch of one of the largest of the Canadian banks. As rapidly as the money was deposited in the larger bank the notes and silver were rushed out the back door into the back door of the bank where the run was in process. After a while some alert depositor in the long line-up noticed this and communicated the news to various people who were standing around. Within a few minutes there was a long line-up of new depositors in front of the large bank all demanding their money. The situation was quieted down after a few days of trouble.

Some years ago an ignorant foreigner started a run on a branch of one of Canada's largest banks in a large western community. The bank had notes and currency rushed in from all directions and was able to meet the situation without difficulty, but at the next meeting of the city council a resolution was passed to move the city account from the large bank to a smaller bank where it was felt that the funds would be safer. The small bank happened to be the Home Bank of Canada. Following the example of this city many hundreds of thrifty foreigners in the community moved their accounts from the large bank to the Home. When the Home Bank failed scores of citizens were wiped out while those who had kept their funds in the first bank have never lost a cent and there is no reason to believe that they ever will.

Other People's Views

Opening the Great North

Buffalo News.—If the trip of the Lindberghs may not be described as actually rolling back the map of Northern Canada, it, at least, invites speculation as to the effect which the rapid development of air transportation may have in establishing civilized population in those remote and forbidding regions.

The demonstration that no part of the great area is more than a day or two removed, by air route, from the cities of Southern Canada and the United States reduces the question of settlement merely to one of profit. Men will go and will establish their homes wherever they can see favorable opportunity to improve their fortunes. Anything which the north country can produce that is worth enough to pay for bringing it out by air transportation no longer need be neglected because of inaccessibility to markets. Moreover, air machines themselves are expanding their capacity for service so rapidly that one would be a rash prophet who would try to fix limits to their possibilities.

Only four years ago the question which Lindbergh solved was whether a plane could combine sufficient speed and fuel-carrying capacity to get across the Atlantic. Today a plane not only crosses the Atlantic but goes on across Europe to the Bosphorus before it lands. In a few years more planes and dirigibles may be affording cheap enough carriage to be used in ordinary commercial traffic for bringing out furs, minerals and anything else which the sub-Arctic regions contain. Certainly that prospect is good enough to remove the need for calculating on the extension of railroads as essential to business enterprises.

The problem, then, is merely to find out what the north contains that will contribute to the general support of life. The search for resources does not need to be limited to gold and oil. Alaska's reindeer herds have demonstrated that the Arctic plains may become a principal source of the world's meat supply. Electric power transmission has become so practicable that no good site for development is too remote to be out of consideration. Another 30 years well may see that great uninhabited northern country fairly teeming with life and activity. Its reclamation presents probably fewer difficulties than does the clearing and settlement of tropical forests.

This was a great era upon which the 20th century dawned. They are foolish philosophies which would turn the minds of men back to the Middle Ages, instead of leading forward to a realization of the wealth and comforts to which the present civilization has opened the way.

Some Pessimistic Forecasts

New York Annalist.—There are observers in the interior, whose detachment from financial centres renders their opinions of peculiar value, who feel that the forces making for business recovery will shortly measure up to those making for depression. One such viewpoint finds expression in a pamphlet prepared by W. O'Neil, president of the General Tire and Rubber Company, which reads in part:

"A group of leading financial statisticians met in New York on Nov. 4. Eight of them expressed their views on the subject. Here is what they said, as reported by Professor William Foster, noted economist:

"'The farmers will not buy much from the proceeds of this harvest; and, with the price declines in process throughout the world, there would seem to be little prospect of any extensive business revival in the near future.'

"'The general prospect is for slow and irregular business for ten years.'

"'I expect to see a long and slow recovery to a general level of subnormal slow business.'

"'Prices will advance a little from present levels and then fall once more. Recovery will be slow.'

"'Conditions abroad will continue to affect our business conditions here. It is a conservative estimate to say that ten years must elapse before we can see genuinely prosperous business in this country.'

"'Business will come back to fair, slow operations in three years.'

"'The period of readjustment will be long. It will take at least ten years.'

"'We may expect a slow return to a basis on which business can be done at a profit in about three years.'

"But while all of these pessimistic forecasts were made on Nov. 4, it was the fourth of November, 1921!"

In the Mail

British Investors Perturbed by Newest Default

Editor, The Financial Post.

I am enclosing a cutting that I received this morning concerning the abandonment by the Canadian National Railways of its Toronto suburban line. This has been sent to me by a man who lost £2,000 in the Grand Trunk Pacific when taken over by the Dominion Government. I might say that such treatment is not inducive for English people to make investments in Canada. I have been domiciled in Canada for the past 27 years and have investments both sides of the water, but I notice when speaking to brokers or private persons here about Canada, they have a certain amount of distrust in regard to Canadian investments due to past treatment. I have paid frequent visits to England during my stay in Canada so it is not a feeling that developed in the last year or so due to the present situation in Canada. Personally I don't think the Canadian standard of business integrity at all approaches that met with in England.

—SUBSCRIBER.

July 29, 1931.
Cheshire, Eng.

As Others See Us

Award of Civic Contracts

The Toronto Star.—When Toronto calls for tenders on a basis of open competition, Toronto must be prepared to award the contract to an outside firm if, on a basis of price and quality, its tender is substantially the lowest. Otherwise outside firms will discontinue tendering and the city will be left to pay the non-competitive prices of local monopolies.

The recent exhibition of muddle-headed "civic patriotism," which resulted in the letting of a contract to a Toronto firm, although a Galt firm was $7,000 lower, has been much commented upon in the press of Ontario, and not once, we think, favorably. The Financial Post summarizes the general attitude when it says: ......

The recent rejection of the Galt tender was particularly absurd in view of the fact that the Galt concern has maintained offices in the city for 20 years, is a taxpayer here, and was going to spend 50 per cent. of the contract price in Toronto for material and installation. But altogether apart from that, it was entitled to the business because it had, at the city's invitation, gone to the expense of making an offer, and because that offer would have saved Toronto ratepayers over $7,000.

We fancy that the next case of this kind which arises will be dealt with in a different spirit. The action recently taken was an exception, not a precedent, and is not likely to be repeated.

"Hogtown"

St. Catharines Standard.—The Financial Post this week administers a stiff rebuke to the selfish parochialism of those vote-getting City Hall politicians in Toronto, who always shout when there is a contract to be let "Toronto uber Alles." And it states quite frankly that there is no wonder Toronto gets the soubriquet of "Hogtown" from other parts of the province. There is force and reason in what the Financial Post says, and its opinion is well worth quoting in full, as follows: . . . .

As a matter of fact, Toronto would go bankrupt and worse than that if the rest of the country and the province particularly did not support its industries, banks and stores. What would happen, for instance, to the Canadian National Exhibition, if the people of all parts of Ontario gave it a boycott?

In awarding the contracts on big buildings and works, the traditional attitude of St. Catharines might be taken as a good example. Many contracts have been let to outside firms, including that of the new Collegiate, the present Ridley structure now being completed, the Leonard Hotel, and others. All that was stipulated was that St. Catharines labor, where efficient, should be employed.

The Financial Post is quite right. For a big city, Toronto is a small town. But any city or town is never any bigger than the people who inhabit it.

"Stop Me If You've Heard This One"

Sir Frederic W. Lewis, chairman of Furness, Withy & Co., discussed the business depression at the annual meeting of his company in London.

Then he added: "Let us hope that the end will not be far distant, and will be hastened by the debt moratorium, which must at least be a step in the right direction. I am tempted to believe that Mr. Hoover must have heard of the clergyman with whom I feel a good deal of sympathy, and who in one of his appeals to the Almighty prayed, 'O Lord, notwithstanding the apparent impossibility of the request, grant us common sense.'"

Australian Trade for B. C. Box Mills

Details of the preference given to Canada in the new treaty schedules contain one item of major importance to the lumber manufacturing industry of British Columbia.

Lumber for boxes and box shooks are listed as being subject to the intermediate duty of 14 shillings per 100 feet, while similar lumber and shooks from other countries take the general duty of 16 shillings.

This preference will give practically the whole box lumber and box shooks business of Australia to British Columbia mills, it is declared by J. R. McDonald of British Columbia Manufacturing Company Limited, New Westminster, which specializes in this business. In the past, British Columbia mills have done a fair business in this line under severe competition from United States and Scandinavian mills. Their proportion of total Australian imports, however, has been very small.

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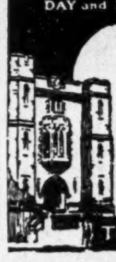

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Business Conditions in Canada

The Week in Business

Alarming Figures on Russian Wheat
British Trade Forecast
Significance of Boots and Shoes

CANADIAN grain men are inclined to consider present forecasts of the export of wheat from Russia to be somewhat exaggerated. No very satisfactory forecast has yet been made, but one that has recently attracted attention is that put out by the Anglo-Russian Economic Society of London, England. This report showed that the acreage of winter wheat in Russia now being harvested is 31,500,000 while the acreage shown to Spring wheat was 70,000,000, which, allowing for errors in compilation is roughly 100,000,000 acres.

From this it is anticipated that a crop of 35,000,000 tons will be harvested. Home consumption is estimated at 25,000,000 tons which would leave 10,000,000 tons for export. The metric ton, which is used in Russian calculations and is probably the ton referred to in these calculations, is slightly weightier than our long ton and contains about 37 bushels of wheat. On this basis of figuring Russia hopes to export during the coming year 370,000,000 bushels of wheat, but as the programme of the Government calls for holding down home consumption to below the figure quoted and at the level of last year's consumption, the exports would approximate 400,000,000 bushels. There is some doubt as to the requirements of the importing countries but they will not be less than 600,000,000 bushels, and not more than 800,000,000 bushels so that Russia's projected exports account for between one-half and two-thirds of the available market.

The figures are alarming for they hold out little hope of substantial recovery in wheat prices. The only satisfaction the grain men of Canada derive from consideration of them is that they may be, like other statistics coming from Russia, unreliable and grossly exaggerated.

* * *

FEDERATION of British Industries declares that what has been lacking since 1914, and is still urgently needed today, is an orderly long-range planning of world trade development. Before the war this was in effect provided by the London money market through its control of international investment. Since the war the changed position of the U. S. A. has both weakened the power of London, and diverted international funds from their traditional channels.

In view of the present uncertainty of the European financial situation it is impossible to forecast any immediate changes, but the impression is that the principal issues have still to be faced.

Forecasting the trend of economic affairs the F. B. I. states that the breakdown in Germany has interrupted the readjustments in world prices and in the domestic situations of the principal industrial countries which were under way during the first half of the year. Unfortunately the resultant European financial disorganization cannot fail to interfere with this process and postpone still further the date of ultimate recovery.

Overshadowing even the inter-allied war debt problem and Reparations is the urgent need of a fall in the long-term rate of interest. The outflow of gold and its attendant rise in the Bank rate puts an end to the possibility of a large-scale conversion of war loan this year, and the reduction of the long-term rate of interest to 4 per cent or less. While this is probably the most serious result of the present crisis, the failure of the recent conference to make satisfactory arrangements to ensure continuing confidence in Germany's financial credit has produced a situation fraught with serious danger to European stability.

* * *

HAYDEN, STONE & CO, in their weekly review of business point out that when people, through fear or necessity cut down their purchases, it is remarkable for how long a time they can go without. There comes a time, however, when the minimum is reached, when goods used in day-to-day living are worn out and have to be replaced. It would appear that such a point had now been reached. Hence we see improving sales of shoes, textiles, and tires, a very steady consumption of electric power. Dollar sales of chain stores, practically equal to those of last year in spite of much lower prices, betoken a decidedly larger physical volume. In short, the volume of consumers' goods has at least reached the low point and is beginning to show an increase. This is a source from which the emergence from any depression must be expected.

This comment is interesting in view of the recent rapid rise in boot and shoe production in Canada, as shown in a special review on this page.

URGES CANADA BUY GOODS NOW FROM AUSTRALIA

Royal Bank Sees Ultimate Reward to Canada Therein

That Canada will reap greater benefits later on from the new Australian trade treaty if it extends its purchases from that country now, is pointed out by the Royal Bank of Canada in its August letter.

"It is only by this means," the letter continues, "that the treaty will continue to be attractive to both countries. At the moment, the financial situation in Australia is sufficiently difficult so that trade expansion cannot be rapid. When these difficulties have been overcome, the privileges extended to Canada will have greater value than at present. It will be by means of increasing Canadian purchases at a time when Australia is in difficulty, that Canada can do most to help the Australian situation.

"People cannot sell unless they buy, and Canadians cannot hope to continue to receive these benefits unless Canadian purchases of Australian goods are increased. Under normal circumstances the initiative in trade rests with the seller; it is important that Australia make her products better known in Canada and pursue a generally vigorous sales policy. In this instance, however, the major benefits which will result from the treaty are those which have been granted to Canada, and under these circumstances Canadians can well afford to give full co-operation to those Australians who endeavor to find a market in this country. Where empire trade can be promoted on a sound basis it will command the approval of all business men as well as the commendation of those who desire that the bonds of Empire shall be more closely knit."

Canada's 1930 Lime Output 27 p. c. Below 1929 Total

Lime production in Canada during 1930 was 27.2 per cent lower than for 1929 at 490,802 tons, the value showing a reduction of 31.6 per cent. Producers received an average of $11.30 per ton for hydrated lime and $7.68 for quicklime.

Chemical and metallurgical processes used in the pulp and paper, mining, steel and other industries accounted for 351,443 tons, or 71.6 per cent, of the total production of lime, the pulp and paper industry taking 91,624 tons.

More than half the quantity of lime produced came from Ontario, Quebec being responsible for 26 per cent. Imports from outside were negligible, being less than half the 4,448 tons imported in 1929.

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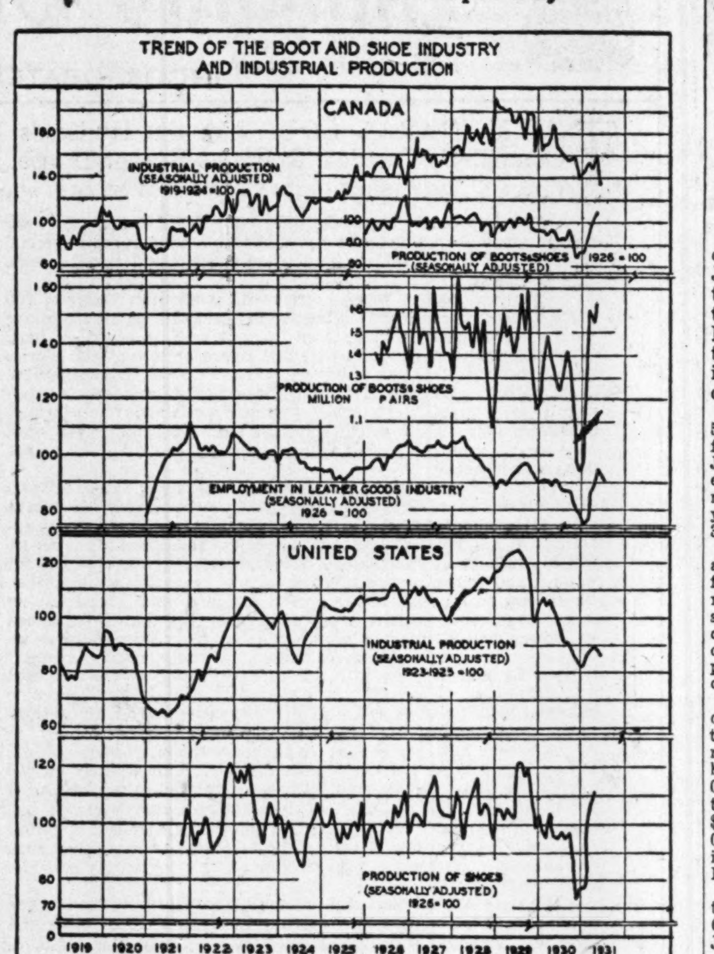
Boots Wear Out and People Buy



Developments in a typical industry engaged in the production of goods for direct consumption during the latter part of the major depression are shown in the chart above. The boot and shoe industry, after touching a low point during the latter part of 1930, has shown a marked gain in activity in the first five months of 1931. The trend of employment in the leather goods industry, largely dominated by the boot and shoe division, showed a marked and steady gain during 1921, when a low point was experienced in industrial production generally. The trend in the boot and shoe industry in the United States closely resembles developments in Canada. Providing the gain in activity is maintained in industries of the same type, there would be strong indication that the worst of the depression is over.

Boot and Shoe Buying Forecasts Depression End

Record of Typical Consumption Industry Cited as Evidence Turn is Within Sight

By SYDNEY B. SMITH

In a period of depression people defer their purchases as long as possible. But sheer wear and tear brings buying power back in time. When such buying power becomes evident it usually signalizes the end of depression for renewed activity in consumption industries is followed by other developments that lead to broad scale recovery.

One of the first industries to feel the effects of buying of this character is the boot and shoe industry. A study, then, of the boot and shoe industry in Canada may give us some clue to the probable trend of business in coming months.

Above 1930 Production

The production of boots and shoes in Canada during the three months ended May last was 4,765,157 pairs. This compares with 4,274,665 pairs in the same months of 1930. Here at least is one industry which is more fully employed during the current period than in 1930. It is evident from the data that the low point during the present depression was reached from November to January. The gain in the last three months over the period of least activity was nearly 60 p.c. Part of this gain was seasonal, but after adjustment for this factor, it is calculated that the cyclical increase was about 44 p.c.

This striking development in the boot and shoe industry requires explanation and interpretation. While it is logical that industrial recovery should be uneven, some industries showing marked gains when others are still battling with adverse conditions, the trend in boot and shoe production suggests that genuine recovery has commenced in a certain type of industry and that a basis is being constructed for a return in business confidence.

Fewer Shoes Were Bought

The boot and shoe industry produces for direct consumption, the gross supply being roughly dependent upon the population. In 1928 the apparent consumption obtained by adding the production and imports and deducting the exports was 22,147,000 pairs. The amount available for consumption in 1929 computed in the same way was 21,794,000 pairs. The consumption per capita was 2.22 pairs in 1929 compared with 2.29 pairs in 1928. Providing the same relationship is maintained between the annual and cumulative monthly totals in 1930 as in 1929, the total production in 1930 was about 17,860,000 pairs. Imports were 1,431,000 pairs and the exports 84,000 pairs. The apparent consumption in 1930 was consequently 19,207,000 pairs, resulting in a per capita consumption of 1.94 pairs.

According to this computation, the depressed conditions of 1930 resulted in a considerable decline in the available supply of leather footwear. The Canadian public either postponed purchases or retail stocks were depleted to the indicated amount. The replacement demand resulting from this postponement has now led to the active production of the current period. Production during 1930 was greatly below normal, and the renewal of demand indicates that the deficiency is now being offset. If this development were duplicated in a wide variety of industries engaged in the production of goods for direct consumption, the hopes which are entertained in some quarters as to the early termination of the depression would be entirely justified.

Construction Comes Later

Owing to the extreme fluctuation in the industries engaged in the production of plant and equipment, the part played by such industries in the causation of the business cycle has been greatly over-emphasized. Closer analysis discloses that the industries producing consumption goods are normally the first to recover after a depression and it is to such industries that the forecaster at the present stage must look for an indication of possible developments. It is only after the consumption goods industries have expanded to the point of maximum capacity attained during the preceding period of super-activity, that the pronounced expansion of the instrumental industries occurs.

For the purpose of showing that the current activity in the Canadian boot and shoe industry is not a chance occurrence without significance in the present economic situation, a study of analogous developments is desirable. During the last major depression, it is noted that production in 1920 was more than one million pairs less than in the preceding year and that in 1921 the output dropped to 15,047,000 pairs compared with 17,694,000 pairs in 1920. Measured by employment in the leather goods industry, which is dominated by the boot and shoe industry, production commenced at a very low point at the beginning of 1921 and after seasonal adjustment made steady gains from month to month until in January 1922 employment was greater on a seasonally adjusted basis than at any time during the period which the compilation covers. This is stated as a demonstration that a typical industry producing goods for direct consumption normally makes rapid recovery after one or two years of depressed conditions.

U. S. Record Similar

That the gain in Canada during recent months is not due to special circumstances dependent on fiscal changes is shown by the corresponding advance attained by the industry in the United States. The trend of production in that country since January 1930 is very closely correlated with the activity in Canadian boot and shoe factories. The occurrence of further gains in production or the maintenance of the present high standing during the remainder of the year will, of course, affect the significance of the development, but the marked increase which has already been attained is a contribution toward general recovery, important in its implications, which has not been generally appreciated.

Belgium May Establish Branch Steel Plants Here

A number of Belgian engineers will sail in September for Canada to study the possibilities of establishing branch works in the Dominion, the new import tariff against imports of iron and steel being behind the move, according to Canadian Machinery and Manufacturing News. The party will be composed of probably eight or nine engineers.

"Rumors are circulating," continues that paper, "that between the British and German makers of fish-bolts an agreement has been signed by which the competition between both industries will come to an end. Without the Belgian industry, however, such an agreement would not have much value, so the German works will hardly agree to fix prices."

Coal Tar Output Down in 1930

Output from the coal tar distillation plants in Canada during 1930 amounted to $3,334,066 or 13 per cent under the corresponding figure for 1929. Ten tar distillation plants were in operation during 1930, the capital employed by these concerns being reported at $5,042,373. The main products of this industry are creosote oils, tar and pitch, which commodities are used extensively in preserving railway ties, telephone poles, building timber, etc., in highway construction and in the manufacture of prepared roofing.

FALL BUILDING PROSPECTS LOOK MORE PROMISING

Heavy Contracts in Engineering Group Are Reported

Despite a decline in the number of building contracts awarded in July the estimated value of contemplated work reported during that month in MacLean Building Reports indicate a more promising trend, heavy construction proposals in the engineering group being chiefly responsible.

Contracts awarded for July were 5.8 per cent less in dollar value than for June and 24.9 per cent less than July, 1930. The percentage of difference between the corresponding seven months period of last year and this year stands at 31.3 per cent as against 32 per cent for the first six months.

Estimated value of contracts awarded in the Engineering group for July amounted to $11,683,600, representing 41.6 per cent of all construction. Business buildings accounted for 30.6 per cent with a total of $8,486,300, residential supplied 25.4 per cent, or $7,113,300, and industrial construction 2.4 per cent, at $671,500.

Contracts of a million dollars or over include work on the railway terminal at Montreal and the replacement of docks at Saint John, N.B., both of which contracts are for $2,000,000. Vancouver has a water supply tunnel and pipe going in at a cost of $1,183,800, while contracts for $1,000,000 each are shown for hospital building in Montreal and work on the new Hamilton Cathedral.

The greater percentage of construction was awarded in the province of Quebec which shared the Dominion July total to the extent of 35.4 per cent, valued at $9,938,900. Ontario followed with $9,362,100 or 33.4 per cent. Then come the Prairie Provinces with 11.4 per cent, British Columbia with 10.2 per cent and the Maritime Provinces 9.6 per cent.

For the seven months, Ontario is in the lead for contracts awarded with a total of $73,804,300 which is 38.6 per cent. of all Canadian construction. Quebec had 35.7 per cent, the total being $68,091,700. The Prairie Provinces showed $23,296,700 and British Columbia $15,892,200. Maritime Provinces had $9,907,400 equal to just over 5 per cent.

Engineering construction has accounted for 40.5 per cent of all new construction from the first of the year to the end of July and shows a total of $77,302,900. Business buildings amount to $54,601,200, or 28.6 per cent of the total. Residential follows with $49,286,400 or 25.8 per cent. and industrial, $9,801,800, or 5.1 per cent.

EXPRESS RATES TO BE REDUCED

Truck Competition Spurs Express Companies to Action

Indicative of the competition which Canadian railways are facing from motor transport is the announcement that the railway express companies are undertaking a comprehensive downward revision of tariffs. Several schedules of reduced rates have already been filed with the board of railway commissioners, and further decreases will be made as a Dominion-wide survey of the situation progresses.

Questionnaires have been sent by express companies to manufacturers and jobbers in various parts of the country asking what rates would induce them to restore their patronage to the rail carriers. As the answers are received, the companies are revising the schedules of charges. The general rule under the Railways Act, it was explained, is that rates may be reduced on three days' notice.

At first it was believed the motor truck concerns could not continue in business at the low rates they were quoting shippers. As the encroachment on express company operations continued, however, it became apparent the threat was a very serious one.

Coffee and Tea Imports Drop Enormously, June

Imports into Canada of coffee and chicory for June showed considerable decline from those of May, totalling 2,766,666 lbs. valued at $338,140 as against 4,408,982 lbs., value $548,090. Compared with June last year the volume imported was 11 per cent lower, value being down $193,725, or 36 per cent.

Tea imports showed an even more drastic decrease, the total for June this year being 1,043,024 lbs., value $192,840, as against 4,693,940 lbs. and a value of $1,231,008 for the corresponding month in 1930, and 2,650,560 lbs. with a value of $554,777 in May this year.

FOOTWEAR OUTPUT INCREASE HOLDS

June, Like Every Month But January, Betters 1930

Production of leather footwear of all kinds, in Canada during June was represented by 1,576,449 pairs, compared with an output of 1,740,792 pairs in May. Every month of 1931 so far, excepting January, has shown an increase in total production over the corresponding months last year, and the average per month this year has been 1,496,496 pairs compared with 1,462,097 in 1930. The figure for June 1930, was 1,398,444 pairs.

The above figures, compiled by the Dominion Bureau of Statistics, are based on returns from 163 factories out of a total of 167 in operation, and include all classes of footwear, such as boots and shoes with leather or fabric uppers-welts or imitation welts, turns, etc.; shoepacks, larrigans, moccasins, and felt, cloth, carpet and other slippers.

Imports of leather footwear into Canada have dropped considerably during the past year. In June, the total was 62,977 pairs, compared with 76,860 in May this year and 105,564 pairs in June, 1930. Corresponding values are also lower, being $148,964, as against $175,286 in May, 1931, and $240,703 in June, 1930.

Of the total value of imports in June, 1931, those from the United States represented 66 per cent, and those from the United Kingdom, 11 per cent.

SEA FISH CATCH VALUE FAR LESS

Though Half-Year Figures Show Volume Better Than 1930

Canada's landings of sea fish in the first six months of 1931 were larger by some 767,000 pounds than in the corresponding period of 1930, amounting in all to 303,351,800 pounds as compared with 302,584,300 pounds. So far as the landed value of the catch is concerned, however, the 1931 figures show sharp decline. In the first half of 1930 the landed value of the sea fish catch to the fishermen totalled approximately $9,501,000; for the six months ending with June of this year the figures were a little less than $6,413,000, a drop of around 32 per cent.

The statement showing the catch and landed value for January-June, 1931, as made up from unrevised returns to the Department of Fisheries, is as follows:—

Province:	Catch lbs.	Landed Value $
Nova Scotia	107,368,300	3,059,654
British Columbia	100,663,200	1,572,661
New Brunswick	48,322,700	908,618
Quebec	32,682,900	434,698
Prince Ed. Island	14,214,700	437,264
	303,351,800	$6,412,895

Wholesale Price Index, Slightly Lower in July

Wholesale price index number dropped from 72.2 in June to 71.7 in July, 1926 representing 100. By the various classifications, 77 quotations were higher, 108 lower, and 317 remained unchanged.

Wood, wood products, and paper declined from 80.2 to 79.6; iron and its products from 87. to 87.1; vegetable products, from 58.7 to 57.6, and fibres, textiles and textile products from 75.2 to 7.2. Gains in wholesale prices of hides, cured meats, steers, hogs and cheese, in the animal and animal products section, more than offset losses under other heads, resulting in an advance for this section to 71.1 from June's 70.8, while non-metallic minerals also made a gain from 84.8 to 85.1 owing chiefly to firmer prices for anthracite and domestic screened, lump coal.

Big U. S. Beet Sugar Plant for Manitoba

Manitoba sugar-beet crops have proved so successful that, it is reported, the establishment of a $1,500,000 plant in that province by the American Beet Sugar Co. of Denver, Col., during the fall is almost certain.

In accordance with arrangements made by the U. S. company with the Industrial Development Board of Manitoba and farmers in the Emerson, Gretna, Headingly, East Selkirk and other districts, 430 acres were planted to sugar beet last Spring, on the understanding that if this second series of tests was successful the factory would go up.

The splendid crop has demonstrated conclusively the suitability of Manitoba soil for the growing of sugar beets in commercial quantities, according to J. M. Davidson, managing secretary of the Industrial Development Board.

No information is available yet regarding the probable location of the projected factory, but it is said that about 80 acres, near a river, is likely to be required.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	1930	Cumulative Jan. 1 to date 1931	1930
C.P.R. Gross Earn. (Aug. 7)	$ 2,642,000	$ 3,513,000	$ 85,021,000	$ 103,930,000
C.N.R. Gross Earn. (July 31)	$ 4,938,282	$ 6,519,504	$ 104,083,100	$ 129,061,141
Car Loadings (Aug. 1)	45,995	58,090	1,489,829	1,825,410
Common Stock Index (July 30)	78.5	129.2	....	....
Production—		Monthly		
Pig Iron, tons (June)	55,822	66,081	299,222	451,186
Steel, tons (June)	55,605	95,312	461,877	636,613
Newsprint, tons (June)	193,971	213,634	1,136,896	1,284,158
Automobiles (June)	6,835	15,090	66,092	110,685
Books and Shoes, pr. (June)	1,576,449	1,398,444	8,978,977	8,772,583
Flour, bbls. (June)	1,121,115	1,160,922	6,648,773	7,208,226
Mineral Production—				
Gold, oz. (May)	215,200	168,270	1,040,003	800,757
Silver, oz. (May)	1,786,000	2,185,000	9,587,929	10,118,672
Nickel, tons (May)	5,327	4,769	18,170	23,263
Copper, tons (May)	13,681	13,741	64,773	65,719
Lead, tons (May)	9,823	13,313	68,725	71,656
Zinc, tons (May)	12,107	9,948	55,543	50,432
Coal, tons (June)	887,859	1,340,223	5,867,698	7,470,047
Nat. gas, M. cu. ft. (May)	2,036,000	2,107,000	13,416,924	14,623,885
Petroleum, bbls. (May)	156,400	106,340	805,825	518,482
Automobile Financing—				
Used Cars (June)	$ 2,460,324	$ 3,299,507	$ 12,595,770	$ 18,086,593
New Cars (June)	$ 2,436,623	$ 4,625,148	$ 12,972,955	$ 19,230,648
Construction—				
Building Permits (June)	$ 8,470,738	$ 18,621,487	$ 57,472,274	$ 85,413,985
Contracts (July)	$ 28,054,700	$ 37,374,000	$ 190,992,300	$ 278,000,400
Labor—				
Employment Index (June)	103.6	116.5	....	....
Trade—				
Imports (June)	$ 52,509,000	$ 91,544,000	$ 353,911,000	$ 543,314,000
Exports (June)	$ 54,348,421	$ 78,703,281	$ 291,720,421	$ 436,500,438
Imports of Key Products—				
Rubber, raw, lbs. (June)	4,730,546	5,777,423	30,414,917	36,606,477
Cotton, lbs. (June)	5,269,000	4,981,000	46,207,000	45,925,000
Sugar, raw, lbs. (May)	149,907,300	98,646,300	312,344,400	231,967,100
Petroleum, crude, gal. (June)	117,341,108	110,593,076	464,327,863	474,096,244
Coal, tons (June)	1,198,335	1,887,497	5,365,746	7,230,426
Exports of Key Products—				
Newsprint, tons (June)	189,739	194,321	1,025,773	1,167,602
Automobiles, No. (June)	914	2,711	10,142	22,591
Wheat, bus. (June)	20,783,219	18,989,550	87,886,810	59,204,196
Wheat flour, bbls. (June)	490,294	597,752	2,665,258	5,702,282
Electric Power—Output—				
M. Kilowatt hours (June)	1,284,260	1,434,611	8,283,698	8,949,947
Population—				
Emigration (May)	612	4,216	5,469	21,679
Immigration (April)	3,201	19,309	8,523	41,214
Finance—				
Failures, No. (May)	163	166	944	1,027
Failures, Liabilities (May)	$ 2,970,416	$ 2,600,755	$ 17,996,421	$ 24,002,531
Bank Debits (June)	$2,693,588,371	$3,397,740,656	$16,425,144,294	$19,025,169,814
Bond Sales (July)	$ 7,139,700	$ 54,189,941	$ 971,514,711	$ 427,483,760
Insurance sales (June)	$ 46,227,000	$ 54,168,000	$ 261,502,000	$ 292,734
Wholesale Prices (1926=100—				
General Index (July)	71.7	85.8	....	....
Iron & its products (June)	87.4	91.2	....	....
Cotton, raw	52.0	82.3	....	....
Grains	42.0	73.2	....	....
Live stock	76.0	121.6	....	....

THE WABASSO COTTON COMPANY LIMITED and Subsidiary Companies

ANNUAL REPORT 1931

BOARD OF DIRECTORS

C. R. WHITEHEAD, President and General Manager
JAMES W. PYKE, Vice-President
HUGH MACKAY, K.C. R. N. BALL WM. I. GEAR
WM. HARTY, Jr. W. G. E. AIRD
W. J. WHITEHEAD

Directors' Report to The Shareholders

Gentlemen:—

Your Directors have pleasure in submitting herewith Consolidated Balance Sheet as at 27th June, 1931, together with Consolidated Profit and Loss Account for the year ending that date.

The result of the year's operations is fully set forth in the appended Consolidated Profit and Loss Account, from which it will be observed that, after making provision for all charges, including Bond Interest, Sinking Fund and Bond Discount, and making allowance for depreciation of Property and Plant, there is a net profit of $3,648.34. This amount has been added to Surplus which brings the balance to be carried forward to $386,862.34.

In submitting this report, your Directors are gratified that the operations for the year have resulted in a profit of $3,648.34 compared with a loss of $52,360.52 for the previous year. This improvement in earnings reflects to some extent the benefits derived from recent tariff revisions which have aided your Companies in securing an increased volume of business throughout the latter half of the year.

Your properties are modern in every respect and have been well maintained during the year.

Your Directors desire to record their appreciation of the faithful and efficient services rendered throughout the year by the Officers, Staff and Employees of all Departments.

Respectfully submitted on behalf of the Directors.

(Sgd.) C. R. WHITEHEAD, President.

Three Rivers, Que., July 29th, 1931.

CONSOLIDATED BALANCE SHEET

As at 27th June, 1931

ASSETS

Current Assets:—				
Cash on Hand and in Bank			$ [illegible],198.21	
Accounts Receivable, less Reserve for Bad and Doubtful Accounts			350,236.74	
Inventory of Raw Cotton, Partly Manufactured and Manufactured Stock, Supplies, etc.			2,042,147.60	$2,431,582.55
Cash in Hands of Trustees for Bondholders				151,094.50
Property:—				
Real Estate, Buildings, Plant, Machinery, etc.				9,419,545.66
Investments:—				
Investment of Subsidiary in The Wabasso Cotton Company Limited, Stock at cost		$594,053.02		
Bonds of The Wabasso Cotton Company, Limited, at cost		41,217.14		
Bonds of Subsidiary Companies, at cost		4,482.00		
Sundry Investment at cost		69,999.18	709,751.3[illegible]	
Pledged as Collateral Security for $750,000.00 20 Year 7% Collateral Trust Gold Bonds:— 12,500 Shares of $100.00 each of St. Maurice Valley Cotton Mills, Limited, Common stock, being the whole issue: Bonds of St. Maurice Valley Cotton Mills, Limited, at cost			722,619.00	1,432,370.34
Deferred Charges:—				
Bond Discount, Unexpired Insurance, etc.				278,079.99
				$13,712,673.04

LIABILITIES

Current Liabilities:—				
Accounts and Bills Payable			$ 317,646.10	
Bank Loans secured under Section 88 of Bank Act			885,000.00	
Operating Expenses, Accrued Wages, etc., and Reserve for Government Taxes			258,362.94	
Bond Interest Accrued			24,187.86	1,485,196.90
Deferred Liabilities for Machinery Purchases				48,598.63
Bonds:—				
First Mortgage 6% Bonds of The Wabasso Cotton Company, Limited, due 1st June, 1947:— Authorized and Issued		$1,000,000.00		
Less: Redeemed for Sinking Fund	$210,000.00			
Held in Treasury	19,000.00	229,000.00	771,000.00	
Mortgage and Collateral Trust Sinking Fund 7% Bonds of The Wabasso Cotton Company, Limited, due 1st May, 1942— Authorized and Issued		750,000.00		
Less: Redeemed for Sinking Fund		176,500.00	573,500.00	
First Mortgage 6% Bonds of St. Maurice Valley Cotton Mills, Limited, due 1st June, 1952:— Authorized and Issued		$2,500,000.00		
Less: Redeemed for Sinking Fund		526,200.00	1,973,800.00	
First Mortgage 6% Bonds of The Shawinigan Cotton Company Limited, due 1st December, 1949:— Authorized		$2,500,000.00		
Issued		1,166,000.00		
Less: Redeemed for Sinking Fund		373,500.00	792,500.00	4,110,800.00
Twenty Year 6% Debenture due 1936. To be used for collateral purposes only		$ 200,000.00		
Reserve for Mortgage and Collateral Trust Bond Sinking Fund				176,886.03
Reserve for Depreciation				2,812,189.14
Capital Stock:— Authorized: 105,000 Shares of No Par Value.				
Issued: 69,898 Shares Fully Paid			$4,191,840.00	
5 Shares Partly Paid			300.00	4,192,140.00
Consolidated Surplus:—				
General Reserve			500,000.00	
Profit and Loss Account, as per Statement attached			386,862.34	886,862.34
Contingent Liability:—				
For Bills Receivable under Discount		$104,191.00		
				$13,712,673.04

C. R. WHITEHEAD and JAS. W. PYKE, Directors.

Verified, as per our report dated July 29, 1931.
RIDDELL, STEAD, GRAHAM & HUTCHISON, Auditors.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the Year Ended 27th June, 1931

Profit for the year ended 27th June, 1931, after deducting all Manufacturing and other Charges and Expenses, but before providing for Depreciation, Bond Interest, Sinking Fund and Bond Discount		$448,213.33
Interest on Investments		72,518.52
		$520,731.85
Depreciation on Property and Plant	$222,750.88	
Bond Interest	256,148.53	
Sinking Fund	25,465.00	
Bond Discount	12,719.10	517,083.51
Net Profit		$ 3,648.34
Balance at Credit, 30th June, 1930, after absorbing Subsidiary Company Loss		383,214.00
Balance at Credit carried to Balance Sheet		$386,862.34

Verified:—
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

Forecast Average Beet Crop

Indications are for an average beet crop in the Lethbridge northern irrigation area. A total of 2,100 acres was seeded against 2,800 acres last season.

ALGOMA STEEL CORPORATION, Ltd.
SAULT STE. MARIE, Canada
General Sales Office: MONTREAL: 730 Canada Cement Building
GOOD WILL BASED ON GOOD STEEL
Branch Offices: TORONTO: 1206 Northern Ontario Building

WESTERN CANADA CAN EASILY GROW FRUIT IT NEEDS

C. P. R. Bulletin Reviews Progress by Some Farmers

Canada's Prairie West is still known as a new country. This is not surprising, for despite cities and skyscrapers, railways, radio, water power, telephones, electricity, universities, hospitals, churches, opera houses, packing plants, palatial hotels, factories, motor cars, oil wells, grain crops and livestock, it is not likely for some time yet to be known as anything else.

The reason, of course, is that only within a comparatively recent period have these attributes of civilization come to the Canadian Prairies, and to discover all the resources and potentialities of so vast a territory as that which lies between the Great Lakes and the Rockies is a matter for years of study and exploration. For example, there is oil. Calgary had its beginnings in 1875 in the establishment on its present site beside the Bow River, in the North-West Mounted Police fort, but it is only some seven years since the first great well, Royalite No. 4, was brought in in the now famous Turner Valley field 40 miles away, where there are a dozen or more wells with outputs averaging probably that of the marvellous No. 4, and the production from Turner Valley approximates annually 1,500,000 barrels of gasoline and oil. Royalite No. 4 was the first well of commercial consequence to be drilled in any part of the Canadian West.

Country is Still Young

Even these figures are dwarfed by the estimated oil content of the so-called "tar sands" of the Athabasca, which have hardly begun to be exploited—fifty billion barrels according to the calculations of Government engineers and geologists recently made public, the largest known deposit of fuel oil in the world and enough at the present rate of consumption to meet its demands for 500 years. But it is land, not oil, that attracts the first settlers to a new country. Their primary concern is to acquire holdings, a quarter-section, homes, to wrest first livings and ultimately competences from their new-tilled fertile acres. Capital follows, providing luxuries and conveniences as settlement gains the means of purchasing them and seeking fresh avenues for profitable investment—mines, timber, oil, railways, public utilities. Resources other than the land are uncovered and turned to service in the further development of the country. In time most things of known value have been discovered and utilized and the country is then no longer "young." The Canadian West has not yet reached that stage in its progress.

Grain and Livestock

Time is required even for full acquaintance of what the land itself is capable of producing. Grain and livestock are naturally the first consideration, for these two products with the vegetable garden will afford the settler the chief essentials—wholesome and abundant food Later he will come to consider other possible products that would lend agreeable variety to his bill of fare and among these is fruit.

Country Grows Fruit

It has often been assumed that fruit cannot be produced on the Prairies. The idea is a mistaken one declares a C. P. R. bulletin. Almost any pioneer who has settled along the tree and shrubbery-bordered lakes and streams could certify that in such localities there is annually an abundance of wild fruit. Of this raspberries, strawberries, gooseberries, black currants, saskatoons, cherries and highbush cranberries are most common. The muskeg territory north of the North Saskatchewan produces great crops of a small lowbush cranberry which in the form of sauce and preserves is counted of excellent flavor. In the spruce and scrub lands of certain localities immense quantities of succulent blueberries are harvested each year. Sections of Manitoba furnish regular crops of delectable wild red plums.

Pioneer settlers have been content for the most part to make use of these native wild fruits so prodigally provided and domestic production has been generally deferred. But in late years they have been turning to the possibilities in fruit growing on their own lands with gratifying results. The success of A. P. Stevenson of southern Manitoba, for example, in the production of apples has opened the eyes of others to what may be accomplished in this field. The Government Experimental Farm at Morden, Manitoba, too, has been growing apples for a number of years and hundreds of boxes from the orchards of Mr. Stevenson and the latter institution have found their way to market.

North of the Athabasca River at Athabasca—which is 100 miles north of the Alberta capital, Edmonton—Mr. Gautier has been growing raspberries successfully for a considerable period. In 1930 he had seven acres in canes. He began with a small patch as an experiment and has since increased his acreage until he now has this large area in the fruit. Not that the field is all prolific. Mr. Gauthier's method has been to set out fresh ground as the earlier plantings deteriorated. He finds a ready sale at good prices in the town of Athabasca for all the berries he can produce.

Strawberry Culture

The territory about Lesser Slave Lake is peculiarly adapted to the growing of strawberries, which require plenty of moisture. The land in many places is flat and little above-water level, so that strawberry culture in that section has proved a remarkable success, and the district has become locally famous for the production of fruit. Passengers on the trains of the Northern Alberta Railways are able in season to buy luscious fresh strawberries at the little stations and towns along the line and many cases are disposed of annually over the counters of the departmental stores in Edmonton.

Ten years ago Herbert Lawrence and his wife started a nursery in the western outskirts of Edmonton overlooking the Saskatchewan. They are now growing successfully plums, crabapples, currants, cherres, rhubarb of enormous size, and great quantities of asparagus, for which there is a never-failing demand in the city. The plums—of which Mrs. Lawrence last season put up 50 quarts for their own use—are of a dwarf variety, but of exceptional flavor. The main part of their income is derived from the nursery stock—trees, shrubs, flowering plants, rhubarb and asparagus—but they sell each year some $600 worth of various fruits.. No winter protection is given by the Lawrences to any of their stock and little if any is ever watered by the proprietors of Buena Vista Gardens.

A member of the staff of Saskatchewan University in a recent talk to a Saskatoon convention stated that plenty of fine fruit for home consumption, including strawberries, raspberries, currants, cherries, plums and crabs, might be grown on the farms of the province provided shelter, proper selection of varieties and methods of planting, care and cultivation were followed. At Lethbridge and Medicine Hat considerable success has attended experiments in apple-growing.

Strawberries, raspberries, currants — black, red and white — native cherries, plums and crabapples are now to be found in many gardens of Saskatchewan and the other Prairie Provinces, and it is not unreasonable to assume that before many more vears they will be growing a large proportion of the fruit consumed in that territory.

Independent Merchants Meet Chains Successfully American Survey Shows

The present evolution in merchandising methods is viewed by many as a struggle between chains and independent stores. In that the former represent the newer method and the latter the older, this view is a correct one, but the progress made is not confined to either group, and while the chains have been leaders in setting higher standards of performance there is evidence to show that many independents are approximating those standards, says a bulletin issued by National City Bank of New York.

As regards store operation alone, the chain enjoys no advantage not open to alert independents. The chief economies of the chain come from the closer union of the buying, wholesaling and retailing functions, permitting reduction of selling expense, closer control of stocks, and substitution of fewer large orders for many small ones. Along that line independents likewise have made great progress through the so-called "voluntary chains," which in the grocery field have enjoyed such an astonishing growth in the past three or four years that they now operate more stores than the regular chains. The voluntary chains consist of cooperative buying associations of retailers, and of unions of retailers with wholesalers either through close working arrangements or outright ownership of the wholesaler. The American Institute of Food Distribution has records of 551 of these chains with 59,640 retail members, which compares with an estimated 55,000 to 57,000 stores for the regular chains. Figures of the operating costs of voluntary chains are not generally available, but in a recent speech the head of the largest of them, the Independent Grocers' Alliance, which is exceeded in volume of sales only by the Great Atlantic & Pacific Tea Company, said, "I. G. A. retailers on the average have reduced costs of operation from 17½ per cent to 20 per cent of sales down to under 11 per cent. Some are down to 6 per cent and 7 per cent. We have every reason to believe that the average will soon be well under 10 per cent."

These are figures of the retailing cost only, and the total cost of the wholesale and retail function is not given.

Harvard Bureau's Studies

Comparing the regular chain with the independent store, the Harvard Bureau of Business Research, in a recent study, concludes that the typical chain grocery companies in 1929 to cover their expenses and their profits, took out of the consumer's dollar approximately 7.7 cents less, in the case of the larger chains, and 8.8 cents less, in the whole group, than did typical wholesale and retail grocers together. The respective gross margins are: Typical chain, 19.4 per cent of sales; large chain, 20.5; wholesaler-retailer, 28.2 (18.5 for the retailer and 9.7 for the wholesaler). Of the chains' advantage it is estimated that nearly half results from elimination or substantial reduction of credit and delivery services. Probably an additional quarter is derived from carrying fewer items in stock than do the better grade independent service stores.

Translated into prices, the cash-and-carry chain gets $1.26 for goods costing a dollar, and the service independent, buying through wholesalers, gets $1.39 for goods costing a dollar. The chain has an advantage of about 11 per cent. And out of four actual field studies of comparative prices of branded items recently made under university auspices, three showed chain prices to be still lower.

Efficient Merchants' Cost

However, store operating expense figures of the more efficient independents, taken alone, make a better showing than the foregoing when compared with the chains. The Progressive Grocer, a trade magazine, reports that a group of efficient cash stores surveyed operated at an expense of 10.7 per cent of sales and profit of 4 per cent, a total of 14.7; service stores' expense was 13.8 per cent and profit 4 per cent, a total of 17.8. The corresponding figures of the Harvard Survey for the typical chains were 12.0 expense and 1.9 profit (from both wholesaling and retailing), a total of 13.9.

The independent can buy some merchandise directly from producers as cheaply as the chains, except those which are producers themselves. Where in addition he buys staples from an efficient wholesaler, he can and does meet chain prices; or he offers credit, delivery service and greater variety of goods at the necessarily higher cost.

The Service of Distribution

Cost of distribution is a much considered question and rightly so. The New York State College of Agriculture at Cornell University publishes monthly an index of the prices paid to the American farmer for certain foods, the prices paid at retail for the same foods, both based on Bureau of Labor Statistics figures, and the cost of distributing food, according to its own studies. Their figure shows the great spread of these figures since the war and suggests the benefit to be derived from reducing it, while the decline from the peak of 209 in distributings cost reached in April, 1930, to 192 for the same month this year, is at least encouraging, and offers hope of further progress.

Following the crash of prices of 1920, farm prices fell most of all, retail prices next and distribution costs comparatively little. From 1922 to the early months of 1930 distribution cost was rising.

Much comment upon distribution cost is made by persons who are not fully acquainted with the conditions and risks involved, and who take the view that an unnecessary share of it is a kind of predatory toll exacted from producer and consumer. The fact is that a rising cost of distribution is not necessarily a measure of inefficiency of distribution agencies in any way, but may be simply an indication of the increasing complexity of the business and social organization, and of the rise in wages, which is the greatest item in most distribution expense.

Relative Efficiency

Recently comment was made upon the statement often heard that the purchasing power of industrial wages since 1919 has not kept pace with the increase of productivity per worker in the industries. This admitted fact has been interpreted as proof that the industries have been making larger profits and the argument has been deduced that the depression came because the industrial workers did not have wages enough to buy their products. The error of this theory is largely in not taking account of the distribution costs which intervene between production and consumption, and which since 1922 have been relatively higher than either production costs or retail prices. Wages throughout the distributive organization, which includes all transportation, trade and incidental services, advanced along with wages in the industries, and in retail trade the offsetting economies have been less than in manufacturing. Hence the relative increase of distribution costs. Retail prices are on a lower level than distribution costs because of the fall of producers' prices.

Is Attractive Phrase

In the handcraft days when communities produced most of the things they used, the cost of distribution was negligible, but in the more efficient specialized organization, which adds to the general wealth by increasing the quantity and variety of production, an involved interchange of goods is necessitated. Varied raw materials are brought together from distant points, and redistributed in finished form over a greater area, and the service of more labor and capital is required. Furthermore, distribution must be reasonably profitable, or too few men and too little capital will engage in it. Elimination of the middleman is an attractive-sounding phrase, but it cannot be carried to the extent of eliminating the service he performs except by returning to a state of individual self-sufficiency, which is neither possible nor desired.

In frequent instances, a higher cost of distribution has been incurred in order to enlarge the market, which has assisted in reducing manufacturing cost so that the final price of the article to the consumer is now less than would otherwise be possible; but it is equally true that in many lines distribution costs have absorbed production economies, and are recognized by leading industries as the most important problem in their progress toward greater efficiency and cost reduction.

The best way to achieve lower costs is to allow all newcomers with new ideas and new methods to engage in free competition with existing distributors, in order that the service may be performed by the most efficient men and methods available, waste reduced to a minimum, and the savings therefrom made available for the purchase of additional goods, raising the standard of living.

Toronto City Acquires 34 Factories This Year

The Maytag Co., Ltd., Canadian subsidiary of the United States concern of the same name, will operate a Toronto branch plant for the assembling of washing machines for distribution in this country.

The Toronto Industrial Commission announce that the decision is the outcome of negotiations with the Maytag Company of Newton, Iowa, covering a period of a year. The company has a large export business, chiefly to Germany, Norway and Sweden, and it is intimated that a portion of that business may be diverted through the Toronto plant.

Thirty-four new industries of outside origin have now been established in Toronto during the first seven months of this year. This compares with twenty-nine for the whole twelve months of 1930. In July a greater number were announced than in any month in the past two years.

The list of newcomers, according to the Toronto Industrial Commission, reflects Toronto's increasing importance as an electrical centre, eleven of the new industries being in this line, while four printing concerns of outside origin have established in that city since January.

PROVINCES TOOK OVER $81,500,000 TAXES IN 1929

Excluding Liquor Control Receipts Totalling $27,600,000

The principal items of taxation and the respective revenues derived therefrom by the different provinces in 1929 is one of the subjects dealt with in a report containing financial statistics of provincial governments, just issued by the Dominion Bureau at Ottawa. Comparative figures for 1916, 1921, 1926 and 1929 are incorporated in the report.

Taxation of corporations, land, etc., generally yielded the greatest revenue, British Columbia leading in this regard with the 1929 figure of $6,731,211, which is approximately the same as in 1926. Ontario and Quebec received $4,393,914 and $4,206,937 respectively, Quebec making the larger gain since 1926. Saskatchewan followed with $3,262,755. The biggest change in the three year interval is noted for Manitoba which dropped from $3,173,353 to $1,734,451 in revenue from this source, due largely to decreased municipal levy and railway tax receipts.

The motor vehicle tax formed the next largest source of provincial revenue, this in the case of Quebec, and New Brunswick exceeding all others. Ontario's receipts on this account totalled in 1929 $7,753,643, and those of Quebec, $4,742,875. Both showed substantial advances over 1926, Quebec again making the best gain.

Gasoline tax was, generally, the third best source of revenue, excepting in Ontario where it was easily the first with a total of $8,497,594 at which the tremendous gain of over $5,000,000 was shown in comparison with 1926 receipts. Quebec realized $3,253,040, making a 200 per cent gain in the three years. Alberta and Saskatchewan were the only other provinces deriving over a million dollars from this source, British Columbia running them close with $905,394.

Tax on amusements and race-track meetings only figured largely in Ontario returns, the revenue in 1929 being $3,195,304. Figures for Quebec were not available, being collected by municipalities under Public Charities Fund, the provincial government's share being treated as extraordinary revenue. No other province reached the half a million dollar mark with this tax.

Total receipts by all provinces for 1929 were: corporation and land tax, $24,407,783; motor vehicles, $21,735,827; gasoline, $17,237,017; succession duties, $13,657,536; amusement and race-track, $4,488,099. Liquor control receipts, which are supplementary to these figures, amounted to $27,599,687.

Origin Must be Marked on Fish for U. K. Market

With effect December 9, 1931, a regulation has been confirmed by the British Parliament declaring that after that date "it shall not be lawful to sell or expose for sale in the United Kingdom any imported frozen or chilled salmon or sea-trout, or any imported salmon or sea trout which has been subjected to any process of freezing or chilling prior to importation, unless it bears an indication of origin."

The regulations regarding the form of marking itself stipulate that, on exposure for sale wholesale, it shall be by means of a printed or stamped paper or parchment label attached or applied to each fish, bearing the indication of origin in legible and conspicuous lettering; on exposure for sale retail, by means of a label or show ticket placed on, or in close proximity to, the fish or portion of fish to which it relates, so as to be clearly visible to intending purchasers, bearing the indication of origin in letters not less than half an inch in height.

Saint John Harbor Will Reopen for Traffic Dec. 1

Reconstruction has commenced of the Saint John, N.B., harbor which was destroyed by fire in June last, and the Harbor Commissioners announce that the major portion of the facilities at the west-side will be ready to handle import and export traffic by December 1, 1931. The new facilities at the west side will be including steel sheds and the latest type grain conveyors.

Contracts are in the hands of the Foundation Co. of Canada, Ltd. for the restoration of three berths, and the Northern Construction Co. and J. Stewart, Ltd. for three more, all on a cost-plus basis of 5 per cent.

The Dominion Government are providing a loan of $10,000,000 to the Saint John Harbor Commission for reconstruction purposes.

"On Deck" Export of Cattle to U. K. Extended to Nov. 1

From Our Own Correspondent

Canadian cattle on export to British markets may now be carried on open decks up to November 1, according to an announcement recently made by the Dominion Government. In previous years the shipment of cattle in this manner was only possible from April 1 to October 1.

This means, in effect, that the open decks may be made use of for an extra month, and, in consequence, an additional month's use will be had of the special deck fittings recently installed on certain boats at the expense of the Dominion Government. At the present time five boats are so fitted and each of these is likely to make one sailing during the month of October. In this event, the extra cattle carried would total possibly 600 head, or the equivalent of an extra sailing by one of the larger cattle carrying boats.

B. C. Salmon Canneries Output 25 p. c. Lower

Output of British Columbia salmon canneries to July 11 was more than 25 per cent lower than at the same date last year, being slightly over 100,000 cases.

Last year the runs of salmon to British Columbia waters were exceptionally large and such an abundance of fish would scarcely be expected this season. In view of this fact, and the very unsatisfactory conditions prevailing in world markets, which do not encourage big production, the decrease in output so far this year is not surprising.

Lobster Catch Grows

Canada's landings of lobsters in the period since the opening of the late autumn season of 1930 and the end of June again showed an increase, the catch amounting to 35,503,500 pounds or some 617,000 pounds more than the catch in the like period of 1929-30. This, in turn, was more than 2,500,000 pounds greater than the quantity landed a year previously.

Hudson's Bay Company.

INCORPORATED 2ND MAY 1670.

THE GENERAL COURT of the Hudson's Bay Company was held on 29th July, 1931, in the Company's Fur Sale Room at Beaver House, London, E.C., Mr. P. Ashley Cooper (the Governor) presiding. The main points of the Governor's speech were as follows:

"It is now barely six weeks since your Board did me the very great honour of electing me to one of the most honoured commercial positions in the British Empire that of Governor of the Hudson's Bay Company.

That is a position which carries with it all the prestige of 260 years of history and tradition but having said this let me make one point clear at once. I have been brought up in a school of hard experience and I know quite well that reference to our past glories is very poor consolation to a body of shareholders who find themselves in the position which you do today. So you can take it from me that until I am in a position to present you with a considerably better set of accounts than those which you have before you today you need only expect from me plain unvarnished facts, probably sometimes unpalatable facts.

Now before turning to the accounts I would just like to tell you this. In this short time during which I have been with you I have done three important things, firstly, within four weeks of my appointment I had to put my name on behalf of the Board to the report which you have in your hands. That report refers to a period for which I and your new directors can take no responsibility but I can assure you that before that report was signed your Board left no stone unturned to ensure that in it and in the set of accounts attached to it there was disclosed to you the true state of affairs so far as we in London have been able to ascertain. Secondly, I have arranged to visit Canada in order to make an examination of the principal activities of the Company on the spot. Thirdly, I have been able to persuade two most experienced directors with valuable connections to come and help us.

It is with great regret that we announce the resignations of Mr. Vivian Hugh Smith and Sir Hewitt Skinner. Immediately on my joining the Board certain resignations were placed in my hands. I had hoped to retain the benefit of these two gentlemen's counsel but they both felt that having helped me through the transition period they would prefer to be released. It is to fill the two vacancies thus created that we recommend the election of Sir George May and Mr. E. R. Peacock.

We state in the report that we believe that we have made some improvement in the method in which your figures are set out and I hope that next year we will be able to make some further improvement. The fact that the situation has been faced whilst it produces a heavy deficit should give you some feeling of confidence that your reconstituted Board is determined to face the realities and to tell you fully and frankly where you stand.

As regards shares in and advances to subsidiary companies, etc., it is an extremely difficult thing to arrive at any exact valuation in times like these. A year ago or even less conditions in Canada were by no means what they are today and the values placed on them may well have been justified but we have looked at the position as things are today and, therefore, after most careful consideration we have decided to make this reserve.

Having done so, I believe that the balance resulting fully represents the value of this item on the balance sheet. We have not eliminated the suspense account and I am not at all certain that we will ever be able to eliminate it because, as you are well aware, the various departments of our business close their years at different dates. I am sure you appreciate that the reason for our difficulties is the exceptional circumstances under which we carry on our fur trade in the far north. This matter will have my careful consideration during the year, and if we are able to improve or eliminate this account we will do so. In the meantime I am sure you will agree that the two headings 'net advances on account of next season's trade' and 'balance of other transactions, etc.,' are more intelligible to you.

On the liabilities side we have grouped the various reserves together in such a way that you can more easily grasp them. Otherwise, I think the items call for no particular comment except for the buildings depreciation account. We have dealt with this fully in our report and I would like to emphasise that we have not altered the periods over which we are writing down the various items. I would further emphasise that the previous method adopted was a perfectly correct one but for reasons which we have explained in the report we have decided that it is better to have a flat rate rather than a cumulative sinking fund rate, and in addition to £96,000, the provision under the old system, the sum of £296,000 is required to make up the difference between the one method and the other.

While this is a question of method rather than of accountancy I am sure you will agree that it is more prudent to adopt this course and that it is essential for us to deal with it now. We shall know exactly where we stand in years to come in respect of these properties with an annual charge of £196,000.

I will now deal with the trading and other activities of the various departments. With regard to the Fur Trade the total collections showed considerable decrease compared with the previous year for the reasons mentioned in the report and, in addition, the decline in fur values to which reference was made at the General Court last June, continued in the Company's subsequent auctions in October, 1930 and January, 1931. As you know, your Company's Fur Trade in the far north is carried on under somewhat unusual conditions.

Many of the Fur Trade Posts are in remote and isolated regions and communication is limited to once a year when the supply vessel calls to deliver fresh stocks of merchandise and to bring out the furs collected during the winter. Consequently in many instances it is impossible when fur prices fall to instruct the post to reduce their purchasing tariff sufficiently early. In these circumstances therefore losses are inevitable, but you will appreciate that on a rising market the same factors tend to enhance profits.

With regard to the Land Department the results are most disappointing due to continued decline in price of wheat and general commercial depression which has affected not only Canada but the whole of the world. Prospects for this year's crop have been seriously impaired by prolonged drought in many wheat areas in the prairie provinces. Until the conditions I have described improve we cannot expect to sell much land nor can we expect much revenue from the Land Department and we must be prepared to continue the traditional policy of the company giving sympathetic consideration to the circumstances of those who are the Company's debtors in connection with the purchase of lands.

The Stores operations have been affected by the prevailing adverse conditions and the general reduction in buying power. The results for the year show a loss.

With regard to our oil interests, current development work has to some extent increased our investment, but I should like to make it clear to you that in agreement with our associates all expenditure in this direction is being cut to a minimum. I might add that exploration work has not reached the stage where I have very much of interest to tell you, although oil in small quantities is being produced.

With regard to the position in Western Canada generally I would be failing in my duty if I neglected to pay a tribute to the magnificent spirit of courage with which all members of the community are meeting a situation of almost unparalleled difficulty and I would also like to stress the great powers of resistance to prolonged depression which are so often shown by an agricultural population.

We must all face the serious realities and in doing so we must all pull together. No section of the community should allow blind optimism to obstruct a full apparition of the hard facts nor on the other hand should undue pessimism be permitted to stampede any of the interests involved. Otherwise one can foresee a situation arising which might seriously retard the further development of Western Canada. If we all pull together and if no further unforseen calamity occurs I am sure the economic structure of that wonderful region will be sufficiently strong to withstand the strain.

In a very few weeks I shall be discussing our problems with our Canadian Committee. From time to time their powers have been extended and since September, 1930, it may be said that they are virtually in charge of all our operations in Canada. Our Canadian Committee is our general staff in the field. It is our duty in London to convey to them the wishes of the proprietors on broad lines of policy and after that to ensure that we give them the fullest support in putting that policy into effect, a task which their knowledge of local conditions should make them eminently fitted to perform. Before passing from the subject I should like you to join with me in voicing our appreciation of the services of our colleague, Mr. George Allan, K.C., and his fellow members of the Canadian Committee.

Another point to which I would draw your attention is our staff. The vast majority of them are of course in Canada working under the instructions of our Canadian Committee, but at the same time, I should like to draw your attention to the fact, sometimes forgotten, that ours is a business which stretches from Mid-Europe right across North America to the Arctic. Our fur selling organization is centred in London. Our ships regularly cover the Atlantic, Arctic and the Pacific Oceans. In many of our departments the service which the men of the Hudson's Bay Company render to you proprietors is not only the loyal service which you who are in business no doubt receive from your own employees. It is something more. The conditions of our service are such as often involve danger to life and limb. I am sure you will wish to convey to all members of our management and staffs who are working in your interests under very difficult conditions a message of thanks and encouragement.

We are faced with world conditions unparalleled for many generations. The wide-spread operations of our great undertaking expose it to the full blast of the storm. Moreover, we have to contend with grave difficulties peculiar to our own organization. So far as I can see it will be some time before world conditions in general and the situation of your own Company in particular can show any marked improvement. Your new directors have taken office at a time when prospects might well dismay the stoutest heart. But having set our hands to the plough we are going to see the matter through. In times like these, Governor, Board and proprietors must work together to preserve this great heritage. I, as your Governor, am supported by loyal, able and experienced colleagues, but if we are to devote ourselves to the protection of your interests we must feel that we have the support of the proprietors. And I know that already in large measure we have that support. We cannot perform miracles, but I promise you that whatever can be done by prudence, foresight and determination will be done. Therefore, I ask you not for the support of the majority, but for the active cooperation of everyone of you here today."

ALL RESOLUTIONS and recommendations made by the Governor and Committee were adopted unanimously, and the meeting closed with a vote of thanks to the Canadian Committee, the management and staff for their efforts in the past year.

LONDON COMMITTEE

PATRICK ASHLEY COOPER, ESQ., Governor.
SIR FREDERICK HENRY RICHMOND, BART., Deputy Governor
GEORGE W. ALLAN, ESQ., K.C. ARCHIBALD KNIGHTLEY GRAHAM, ESQ.
RT. HON. SIR EDWARD HILTON YOUNG, G.B.E., D.S.O., D.S.C., M.P. LT.-COL. JOHN BURGESS PRESTON KARSLAKE
CAPT. VICTOR ALEXANDER CAZALET, M.C., M.P. SIR GEORGE ERNEST MAY, BART.
EDWARD ROBERT PEACOCK, ESQ.

CANADIAN COMMITTEE

GEORGE WILLIAM ALLAN, ESQ., K.C., Chairman
JAMES THOMSON, ESQ. JAMES ARMSTRONG RICHARDSON, ESQ. ROBERT JOHN GOURLEY, ESQ.
CONRAD STEPHENSON RILEY, ESQ. HUGH BUXTON LYALL, ESQ.

BALANCE SHEET

31ST MAY, 1931

LIABILITIES

		£	s.	d.	£	s.	d.
Capital Authorised—							
3,000,000 Ordinary Shares £1 each		3,000,000	0	0			
400,000 5% Cumulative Preference Shares £5 each		2,000,000	0	0			
		£5,000,000	0	0			
Capital Issued—							
2,492,224 Ordinary Shares £1 each called up		2,492,224	0	0			
Less unpaid		137	0	0			
		2,492,087	0	0			
400,000 5% Cumulative Preference Shares £5 each, fully paid		2,000,000	0	0	4,492,087	0	0
General Reserve Accounts—							
Share Premiums Account		4,476,672	0	0			
Less Appropriations per Report		1,384,644	4	4			
		3,092,027	15	8			
Capital Reserve Fund—Set aside under Clause 9 of Supplemental Charter of 1912	610,000 0 0						
Added 1930/31	13,000 0 0	623,000	0	0			
Saleshops Extension Account	300,000 0 0						
Less Appropriated against Land Account Deficit	28,221 15 11						
		271,778	4	1			
					3,986,805	19	9
Specific Reserve Accounts—							
Insurance		150,000	0	0			
Officers' and Servants' Pensions		275,000	0	0			
Provident and Welfare		25,000	0	0			
					450,000	0	0
Buildings, etc., Depreciation Account—							
Balance 31st May, 1930		370,000	0	0			
Annual Instalment 1930/31 charged against Trading		96,000	0	0			
		466,000	0	0			
Add Transfer from Share Premiums Account		296,960	0	0			
					762,960	0	0
Creditors, Accrued Charges and Provision for Contingencies					1,087,100	15	2
					£10,778,953	14	11

ASSETS

	£	s.	d.	£	s.	d.
Land, Buildings and Equipment in Canada at cost, *less* amounts written off	5 525,448	7	3			
Freehold and Leasehold Premises in London at cost (of which £623,000 represents investment of Capital Reserve Fund per Contra)	993,714	19	7			
Ships and Steamers at cost, *less* Depreciation	74,462	13	8			
Shares in and Advances to Subsidiary, Associated, and other Companies, at cost, *less* amounts written off and Reserve	359,034	19	11			
Total Fixed Assets (exclusive of Land Department)				6,952,661	0	5
Merchandise on hand and in transit as valued by the Company's Officials (*less* Reserve)	2,099,634	10	8			
Debtors (*less* Reserve), Payments in advance, etc.	1,017,274	9	2			
Cash at Bank, on Deposit, and in hand	413,327	17	10			
Total Current Assets				3,530,236	17	8
Net Advances on account of next Season's trade	349,629	12	11			
Less Balance of other transactions since 31st January, 1931, for account of Canada	53,573	16	1			
				296,055	16	10
Land Department—						
Assets not brought into account—Unsold Lands vested in the Company, 2,381,365 Acres				—		
Outstanding Instalments in respect of Land sold £2,283,550				—		
				£10,778,953	14	11

NOTES: (1) The Canadian figures incorporated in this Balance Sheet are those of the Fur Trade Department at 31st May, 1930, and of the other Departments at 31st January, 1931, being the dates upon which it is the usual practice of the Company to terminate its respective departmental financial years in Canada.
(2) The Preference Dividend has been paid to 31st May, 1930.
(3) There are contingent liabilities in respect of uncalled capital on shares and guarantee of bank overdraft of a Subsidiary Company.

Note—FREEHOLD AND LEASEHOLD PREMISES IN LONDON

Since 31st May, 1931, a sinking fund redemption policy has been effected at an annual premium of £1,767 10s. 0d. to cover the full cost of these buildings payable at the expiration of the leases (see page 6 of the Report).

AUDITOR'S REPORT TO THE PROPRIETORS

We have examined the above Balance Sheet with the Books of the Company in London, and with the Audited Accounts received from Canada made up to the dates referred to in Note 1 on the Balance Sheet and have obtained all the information and explanations we have required. In our opinion, the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shewn by the Books of the Company in London and the Audited Accounts received from Canada.

5, London Wall Buildings, London, E.C.2.
11th July, 1931.

DELOITTE, PLENDER, GRIFFITHS & CO., *Auditors.*
Chartered Accountants.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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FLOUR MILLING PROFITS IN 1931 ON LOW SCALE

Major Operators Close Fiscal Year This Month

SALES ARE LOWER

Poor Statements Generally Expected — Lack of Co-operation — Bad Outlook

From Our Own Correspondent

MONTREAL.—Majority of the larger Canadian flour milling companies concluded their fiscal year this month. Financial statements, covering the 12 months period, will make their appearance toward the end of the year. On the basis of conditions prevailing for some months past, the reports, as a whole, will not make pleasing reading to the shareholders.

From the point of view of operations, the year just concluding has been, without doubt, one of the worst experienced in a long time. While the operators have made every endeavor to cut expenses, the saving in that direction will hardly compensate for the loss in volume and lower prices.

Market Unsatisfactory

Export trade has been most discouraging, while the domestic trade has not been much better. The latter has been fairly satisfactory, in so far as volume is concerned, but the price-cutting which has prevailed over the past year has made profitable operations exceedingly difficult.

The desire to secure increased tonnage (one of the principal means of lowering manufacturing costs) has brought in its wake serious evils which have militated against the industry getting back on a sound footing and the reporting of profits on a basis commensurate with the turnover and capital invested in manufacturing and distributing facilities.

Competition is Serious

As pointed out in The Financial Post last week, competition has been having a ruinous effect looked at from the angle of profit-making. There is reported a lack of cooperation among the major producers, with a consequent price cutting, which, in some instances, has resulted in the selling of flour below cost.

Producers have resorted to various means to hold and secure more business, such as future deliveries on guaranteed prices, secret rebates, and more than ordinary credits, all of which have made for highly unstabilized conditions in the domestic market.

Attempts at Stabilization

Attempts have been made at one time or another over the past 12 months, to bring the producers together. To date such attempts have proved abortive. Some leaders in the industry are of the opinion that unless steps are taken to control the cut-throat competition of the domestic market, the financial position of the operators will become rather disturbing to the shareholders.

While the forthcoming reports are not viewed with any optimism, examinations of the returns of the major milling companies for the past year provide a picture of the restriction in earning power which has taken place, following upon the sharp break in demand from the export market.

Earnings Are Off

Following table shows in condensed form the financial returns of five of the major flour millers in Canada during 1928-29 and 1929-30. It will be seen that profits fell off in every case, while, as a rule, the working capital position of the companies was impaired.

	1929-30x	1928-29†
	$	$
Lake of the Woods		
Net profit	113,412	881,941
Surplus	x464,068	206,996
Working capital	x332,082	117,737
Maple Leaf Milling		
Net profit	x2,868,551	†1,209,326
Surplus	x4,993,156	997,950
Working capital	x2,243,107	4,081,414
x16 months ended July 31, 1930.		
†12 months ended March 31, 1929.		
Ogilvie Flour Mills		
Net profit	1,127,436	2,381,741
Surplus	12,436	366,471
Working capital	11,298,285	11,132,919
St. Lawrence Flour		
Net profit	77,524	114,724
Surplus	37,274	74,474
Working capital	420,532	367,708
Western Canada Flour		
Net profit	221,416	556,352
Surplus	x100,447	234,630
Working capital	1,587,549	1,842,398
xFiscal years ended August 31.		

Expect Poor Statements

It is obvious from the foregoing that 1929-30 was not a prosperous year for the millers. And when it is considered that, on the basis of reliable reports, the current year may be even worse than 1929-30, the position of the operators is more fully realized.

It had been hoped that conditions prevailing in 1929-30 were of a temporary character, but such does not appear to be the case. Nor does the present outlook hold forth much in the way of better conditions during 1931-32.

Outlook Not Hopeful

Conditions may take a turn about in a comparatively short time, but well-informed opinion of those closely connected with the trade, is not encouraging. Little improvement can be expected in the domestic market with a continuance of present competitive conditions. It is possible that some concerted action will be taken to put marketing on a more stabilized basis, but up-to-date, nothing concrete has been done in that direction.

Export Market Bad

The export market, which is highly important to the Canadian milling industry, inasmuch as the volume of flour shipped overseas controls the cost of manufacturing, is in a more or less demoralized state. One prominent flour executive, who recently made a personal survey of the United Kingdom and continental markets, has the following to say:

"With all the tariff laws and other restrictions cutting down the import of flour, I am looking forward to this next year (1931 32) as the worst we have ever experienced."

Low Export Figures

The seriousness of this view is better realized by an examination of the export figures during the current year. During the crop year 1928-29, Canada exported 11,527,375 bbls. of flour. This was a good year in the ordinary sense of the term and the flour millers were able to report good profits. In 1929-30, which was a particularly bad one from the point of view of financial returns, exports dropped to 6,762,010 bbls.

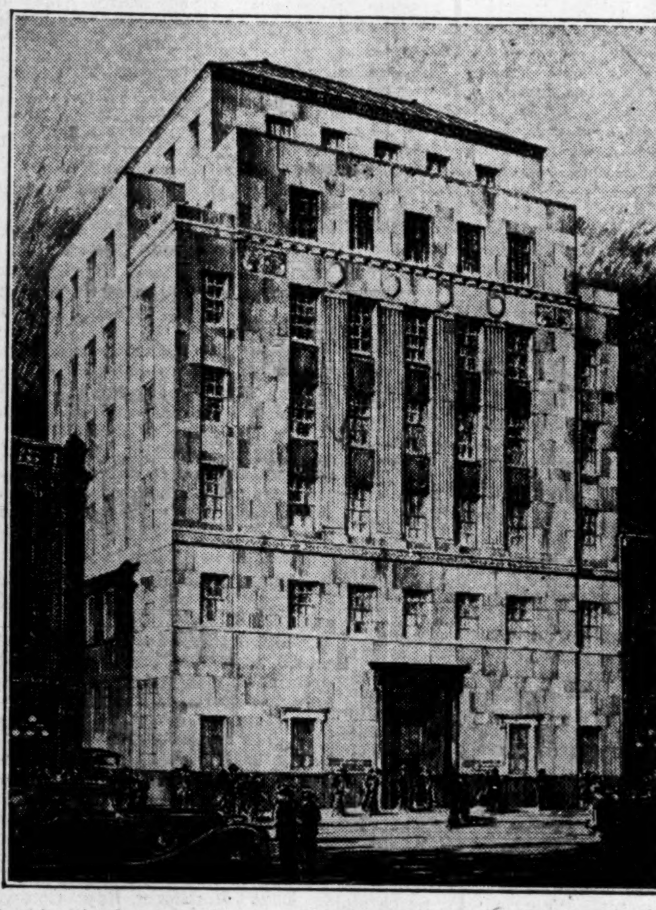
The drop in exports in that year caused a marked increase in operating costs, which was sufficient to more than offset the lower value of raw materials. For the first ten months of the current crop year, ended June last, exports totalled 5,607,463 bbls. Returns for the full year are expected to be about 1,000,000 bbls. higher.

Difficult Control Costs

With a drop of from 30 to 40 per cent in volume of exports from the normal, it is pointed out that the flour milling companies will have difficulty in keeping down manufacturing costs. At present, as in the past, the export market has been regarded, not as a profit-making outlet, but solely as a means of keeping down costs. The profit on milling comes from domestic sales.

With prospects of a continuance of an unsatisfactory demand from foreign sources and a continuance of price-cutting conditions in the domestic area, the position of the Canadian flour milling companies is far from being an enviable one. Unless steps are taken to put the house in order, the opinion holds that there is a distinct possibility of some of the companies becoming further embarrassed financially.

North American Life Co.'s New Head Office



Architect's sketch of the new seven-story head office building which the North American Life Assurance Co. will erect upon their present site at 112 King Street West, Toronto. Plans have been made for an ultimate fifteen-story building to accommodate future expansion.

North American Life To Build on Old Site

Wrecking of Present Structure to Commence as Soon as Temporary Quarters Can be Found

Directors of the North American Life Assurance Co. have just released details of the new head-office building which will be erected upon the site of the company's present headquarters on King Street West, Toronto. Plans have been hastened forward with a view to helping, as far as possible the unemployment situation in the city, and the work of tearing down the present structure will be commenced as soon as plans have been completed for the accommodation of the company's staff in temporary quarters, which so far have not been decided upon.

Foundations will be laid for an ultimate 15-story building, but immediate plans cover a seven-story structure, carried out in a modern adaptation of a classic design, approximately 120 feet in height. The basement and main floor of this will extend the entire depth of the site—almost 200 feet— and above this, to a depth of 112 feet. The natural stone which will be employed will be such as to give strength, character and dignity, while the architectural lines have been designed to give grace and beauty. The huge vault and security room, to accommodate the company's investments, will be in the basement, reached directly by a private stairway from the treasurer's department in the front portion of the main floor.

For Company's Use

The new building is almost wholly designed for the company's own use and with the possible exception of one story, will be entirely occupied by the company. The ground floor will house the Toronto agency and the mortgage and investment divisions together with their accessory departments. The second floor will be devoted entirely to executive offices, and board room. The balance of the building, with the exception of the seventh floor will be set aside entirely for departmental uses. The seventh floor will be used for such institutional features as a cafeteria, an assembly hall, library, etc. Around this will run a balcony.

The new building will be entirely of fireproof construction, while generous provision has been made for natural light, ventilation and other modern features making for efficient and comfortable working conditions. The plans have been prepared by Marani, Lawson and Morris and construction will be under the supervision of Goggin and Ripley Inc., owners' agents.

Fourth Head Office

It is interesting to note that this new building will be the fourth head office that the North American Life has occupied. Fifty years ago the company began in small quarters in the Temple Chambers on Toronto Street. Shortly thereafter it moved to the Manning Chambers, King Street West. The need for expansion prompted the company in November, 1897, to move to the then large and pretentious edifice that has housed it until the present. At that time only a small part of the building was utilized but increasing business with the resultant need for larger staff and working quarters has filled the present premises and sent the overflow into the building at the rear. Both buildings have proved inadequate and this has hastened the decision of the company to erect a new building to accommodate the rapid expansion that has marked its growth in recent years.

The building at present occupied, was erected in 1875, on leasehold land, by the United Empire Club. In 1882 it was acquired by the Canadian Pacific Railway, and in 1897 by the North American Life. The freehold was purchased by the North American Life three years of the proposed new building. This modern edifice will be the second important building recently constructed in the block between Bay and York Streets, and will no doubt materially help in its further development.

Completed Half Century

In January of this year, it will be recalled, the North American completed its half-century of business operation. Shortly thereafter, the policyholders retired the capital stock, thus mutualizing the company and making it a purely policyholders' company, to whom all profits and benefits now belong.

The North American Life is one of Canada's old-established insurance companies. It was incorporated in 1879 and has enjoyed such a successful career that at the end of 1930 it had insurance in force to the amount of $192,535,000. Its assets amounted to upward of $45,000,000, while slightly more than $8,000,000 was carried forward in the surplus account.

The following are directors of the company: Thomas Bradshaw, president; W. K. George, W. B. Taylor and C. W. I. Woodland, vice-presidents; Frank A. Rolph, A. C. McMaster, Hon. George S. Henry, Premier of Ontario; Hon. L. A. Taschereau, Premier of Quebec; G. H. Montgomery, Montreal; A. J. Mitchell, C. L. Burton and Fred S. Corrigan. D. E. Kilgour is general manager.

Canadian Celanese Co. Operations Quiet Down

From Our Own Correspondent

MONTREAL.—A seasonal quietening has been noticed in operations of Canadian Celanese Co. On the whole, business has been good and the company expects that with the revival in demand that the fall usually brings, its operations will return to the full 24-hour basis.

New lines of merchandise continue to be introduced to the trade, and the reception accorded is reported as encouraging.

INTER. UTILITIES OFFER TERMS TO AMER. EQUITIES

Exchange of Securities Proposed—Some Stock Deposited

From Our Own Correspondent

MONTREAL. — Through an agreement for exchange of stock, International Utilities Corp. has offered to acquire the American Equities Co. Some 328,129 shares of the latter company's stock already have been deposited.

The proposed merger will create a combination investment trust-holding company, with a net worth of about $29,500,000 and total assets of approximately $57,000,000.

Dispatches from New York state the principal of American Equities comprise all the Class "B" stock and 131,511 shares of Class "A" stock of the General Waterworks and Electric Corp. and all the Class "B" common stock of International Power Co. Other utility companies in which American Equities holds all common stock are the Pinellas Water Co., Florida Utilities Co., American Equities Reporting Co., Kanawha Valley Water Co., and the Kanawha Valley Water Corp.

Holders of the capital trust of American Equities have received an offer of the following amount of International Utilities' stock for each share: seven one-hundredth shares of prior preferred stock, $3.50 series; one twenty-fifth share of preferred stock entitled to annual dividends of $1.75; one-half share of Class "B" stock, and a warrant to purchase one-fifth share of Class "B" stock at $10 a share up to December 1, 1932, and at $15 thereafter up to December 1, 1937.

On this basis, according to a letter sent to holders of American Equities' stock, the holders will receive shares having an indicated aggregate market value of $8 entitled to 31½ cents in dividends for each one of their shares, which have a current market value of about $5.25 a share and have no immediate prospect of dividends.

Through this deal the banking firm of Chandler & Co., sponsors of International Utilities, will re-enter the public utility field, while E. H. Rollins & Co., sponsors of American Equities, will relinquish some of their interests. International Utilities originally held substantial interests in public utility properties in Kentucky and Western Canada, but sold them in 1930, the latter going to the Dominion Gas and Electric Co., in turn controlled by the American Commonwealths Power Corp. and American Utilities and General Corp.

Proceeds of these sales were placed in the general list of securities. The corporation thus changed from a holding company to an investment trust.

Detail Current Position

Accompanying the offer of International Utilities to American Equities was a copy of the former company's former balance sheet as at April 30, 1931, and income account for the twelve months ended April last.

The balance sheet showed total assets, including Utility Shareholdings Corp., of $20,593,388. This compares with $19,088,021 at the end of 1930. Marketable securities, less a reserve of $3,000,000, have increased in value from $6,663,761 to $7,513,852 Securities received in connection with sale of Kentucky and Canadian subsidiaries have declined in value from $9,819,703 to $9,500,038.

Investments in and advances to subsidiary companies have increased sharply from $430,179 to $2,120,256. Cash on hand is off nearly $200,000 to $282,981; loans receivable have dropped from $802,235 to $541,839; notes, accounts and deposits receivable also show a decline from $108,579 to $34,009; while accrued interest and cash dividends receivable advanced from $42,363 to $213,975.

Corporation's own capital stock repurchased and available for sinking fund, comprising 233 shares of $7 preferred and 2,025 shares of Class "A" stock, are carried in the current balance sheet at a cost of $106,327. The balance sheet showed 4,003 shares of $7 preferred and 1,510 shares of class A stock at a cost price of $445,970.

Loans Are Larger

Among liabilities loans payable show a sharp advance from $200,000 to $2,534,587. Accounts payable are slightly higher at $125,816, while income tax reserve has been cut nearly $200,000 to $601,771.

Two items in the 1930 balance sheet, namely, a liability of $476,352 for sinking fund or retirement of preferred stock and $194,186 in dividends payable on the preferred and class A stock, do not appear in the April 30, 1931, balance sheet.

At the end of February last International had the following capital stock outstanding: 36,939 shares of $7 preferred, 154,708 shares of Class A stock and 666,168 shares of Class B stock. The balance sheet of April 30, 1931, shows the following capital stock outstanding: 32,118 shares of $7 preferred, 154,708 shares of Class A stock and 678,812 shares of Class B stock. The number of shares of Class B stock reserves against warrants and options outstanding has increased from 292,000 to 333,832.

The consolidated income account of International for the 12 months ended April 30, 1931, shows total income of $4,463,264, of which $3,155,932 represents the net profit on sale of investments in subsidiary and other companies. After the deduction of expenses, estimated income tax and $239,814 of interest paid, there remained a balance of $3,981,723. From this sum was deducted a reserve of $3,000,000 for depreciation of investments, leaving a net income of $981,723.

During the period International received regular periodical stock dividends and as special stock dividends shares having a market value at April 30, 1931, of $85,876 and $58,080, respectively. These amounts have not been included in the income account.

SPRUCE FALLS BOND INTEREST IS WELL COVERED

Sales Were 14 p.c. Lower in Past Year—Reserves Increased

Reporting sales of newsprint paper and sulphite pulp at 14.5 per cent less than in the previous fiscal period, the report of Spruce Falls Power & Paper Co. for the year ended April 30, 1931, shows bond interest earned 1.94 times as compared with 2.52 times in the previous year. No reduction was made in dividends paid on the first and second preferred stocks which are privately owned. The sole public interest rests in the 5½ per cent first mortgage serial bonds of which there is $14,000,000 outstanding.

While reduced sales of the company are stated to be due in part to the lower price received for sulphite pulp and substantial reduction in price of newsprint paper during the last four months of the fiscal year, the decline is chiefly due to the fact that both paper and pulp mills operated at less capacity even than the previous year. This was in spite of the fact that the company had contracts for a considerable amount of tonnage of newsprint paper in excess of the tonnage produced. During the year $542,563 was expended in additional improvements made with the view to increased efficiency in operation and consequent lower costs of production.

Increase Reserves

The balance sheet shows total assets of $43,345,668 of which $40,256,344 is for real estate, plant, pulpwood limits, water powers, rights, expenditures on construction, etc. This compares with $39,721,222 the previous year. Reserve for depreciation has been increased to $3,135,359 from $2,114,935. Current assets amount to $2,041,650 as compared with current liabilities of $1,473,176, a ratio of 1.39 to 1 as compared with 2.49 to 1 the previous year. Current assets consist largely of inventories which amount to $1,428,561 and accounts receivable shown at $521,109.

Preferred and common stocks, all owned by Kimberly-Clark Corp. and New York Times Co. are carried at $14,100,100. First mortgage bonds outstanding have been reduced by $1,000,000 to $14,000,000. While surplus from operations is lower at $72,866 the company continues to show a surplus appreciation arising from the appraisal of properties amounting to $10,500,000.

Details of the income and surplus account are as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended April 30

	1931	1930	1929
	$	$	$
Net earn.†	1,661,021	2,229,525	1,175,453
Less:			
Depl. of timber limits	86,812	100,000	....
Bond int.	806,667	825,000	550,000
Res. for taxes	13,940	45,927	6,000
Net profit	753,602	1,259,768	619,453
Less: Pf. div.	973,007	973,007	471,445
Surp. for year	*219,405	286,761	148,008
Add: Prev. oper. surp.	292,271	6,681	*141,327
Less: Bal. 1929 inc. tax	....	1,171	....
Oper. surp. fwd.	72,866	292,271	6,681

†After reserves for contingencies and depreciation, general expenses, etc.
*Deficit.

Security Price Indexes Show Further Declines

Weighted index numbers of security prices were all lower for the week ending August 6 than for the previous week. "Investors'" index number of industrial common stocks, as compiled by the Dominion Bureau of Statistics, was 85.9 as compared with 87.3; domestic utility common stocks 76.0 against 76.2; common stocks of companies located abroad in which Canadians are heavily interested, 63.1 compared with 63.7.

"Investors'" index of all three groups of common stocks combined was 78.5 as against 79.2 for the previous week. "Traders'" index of prices in the twenty-five best selling industrial and public utility common stocks on Montreal and Toronto exchanges was 473.9 for week ending August 6, as compared with 474.9 for the week before. Of these stocks the average weekly prices were lower for sixteen, unchanged for two, and higher for seven. Sales were heavier for thirteen and lower for twelve stocks.

Dominion Distillers Property Seized by Sheriff

From Our Own Correspondent

MONTREAL.—Upon the petition of John Hubert Biermans, at one time president of the Belgo-Canadian Paper Co., the Superior Court has directed the sheriff to seize and put up for sale the property, buildings and equipment of Dominion Distillers Consolidated Ltd., with certain exceptions, which are set forth in the order. The sale will take place on September 10 next at the sheriff's office in Montreal. A deposit of $34,000 will be required from each and every bidder.

Dominion Distillers Consolidated has been in liquidation for some time, Turcotte and Merrill acting as liquidators.

Williams Brochu and Co. Stock Selling Questioned

From Our Own Correspondent

MONTREAL.—Williams Brochu and Co. and Hylo Oils Ltd. have come under the attention of the New Jersey attorney-general, the assistant attorney-general in charge of the securities division having filed petitions in chancery to restrain stock transactions of these concerns within the state. A hearing has been set for September 1 at Newark to determine why the concern should not be restrained from operation, as provided under the New Jersey Securities Act.

Dominion Steel Secure National Breweries Order

From Our Own Correspondent

MONTREAL.—National Breweries Ltd. have concluded with Dominion Steel and Coal Corp. a contract for the year's supply of coal for its various plants, according to J. S. Neill, a representative of the company. This is the twenty-second year the National Breweries have used Nova Scotia coal in their plants.

Chartered Accountants to Foregather

G. C. ROOKE, F.C.A.

A. H. CARR, C.A.

The annual convention of the Dominion Association of Chartered Accountants will be held in Regina August 18 to 21. Mr. Rooke is president and Mr. Carr, secretary-treasurer of the association.

Beauharnois Probe Almost Was Averted

One More Gift by Sweezey and Story Might Never Have Come Out

Dynamite often acts strangely. Sometimes it may be thrown helter skelter by a runaway team and never explode. At other times a slight movement will cause a whole powder house full of it to go up and ruin a large section of the community. Usually, it requires fuse and percussion cap to set off the charge.

And so with political explosions. So with that vast storehouse of blasting material known as Beauharnois. What was the trail of fuse that led to the percussion cap which set off the great charge after political parties had at first shied away by mutual consent?

The trail of fuse is a long one. It might have been cut in the middle and snuffed out by R. O. Sweezey, had that gentleman chosen to apply in one place more of the bank notes and bonds which he bestowed so liberally in many quarters.

Refused to Settle

If Mr. Sweezey had decided to respond to a demand for a half million dollars insistently made upon him by a rival in the power field, it is doubtful if the story of Beauharnois ever would have come to the committee presided over by Hon. Wesley Gordon.

The efforts of this rival company to force "Bob" Sweezey to settle with them represents the fuse that touched off the final explosion.

Personified, the percussion cap was Robert Gardiner, M.P. for Acadia, Alta., U. F. A. leader, who first launched the Beauharnois charges in the House of Commons aided and abetted by his western colleague, E. J. Garland, M.P.

Every detail of the allegations which were hurled at the former Government before the last election was placed in the hands of Mr. Gardiner by a representative of rival interests. The latter were determined, if they were not reimbursed for what they considered their "rights," that they would blast Sweezey, Beauharnois, both political parties and a bunch of senators, higher than the famed Gilroy's kite.

The man who set the match to the fuse is a well-known Canadian lawyer who acted in the interests of the rival group of would-be franchise owners. This group claimed that its members had been the first to bring R. O. Sweezey into the Beauharnois picture. He went along a certain distance with them, concluded that their statements would not hold water and eventually went on to the development of the St. Lawrence section for which the first group had fought many years, and failed to land.

Lawyer Enters Picture

The lawyer came into the situation soon after the Beauharnois project was well under way. He scrutinized the proposition carefully, especially certain statements made in the prospectus which appeared in advertising campaigns. He examined details of the financing and, as anyone else might have done, saw that there had been a syndicate distribution of nearly $5,000,000. He also needed no microscope to identify the political aspects of the situation. He was not tied to either party.

From his group he learned of many strange things. Beauharnois has been alive with "open secrets."

He prepared a memorandum that may become famous in history. As time weaves a romantic tinge about the tearing of the lid off Beauharnois, this young man may come to wear a monument or two, clinching the document of the people's freedom in his hand. But in 1928-29-30-31 his purposes have been very practical and his proposals blunt. His "nuisance" value must have been tremendous, if his case had been on Mr. Sweezey's list of the favored. That he even saw Mr. Sweezey on occasions may be inferred.

Again and again failing to make the head of Beauharnois see his claim as other claims were seen, this lawyer went to the press with his case and was told that no newspaper could handle such material unless it were broadcast under the privilege of parliament. Neither of the major parties would touch it.

But finally, after months of applying the pressure to Sweezey, he did go to Messrs. Gardiner and Garland. And they received him in fear and trembling and demurred for a long time on the chance that they might become involved with some crowd they did not want to be linked with.

Finally, Mr. Gardiner convinced that he owed it to the people of Canada to expose the Beauharnois scandal, consented to act as the detonator, and he sprang the sensation upon the house.

Even after the charge had been sprung, and the election fought with scarcely a national murmur as to Beauharnois from Grit, Tory or Progressive, the campaign for bigger and better settlements with rivals was continued. Sweezey was told, so the story runs, that even at the trembling last minute of the eleventh hour of the present Ottawa session he could save himself and check any further demand, or exposure before parliamentary committee. Sweezey stood firm as to this last-minute demand and the lawyer who set the fuse likewise stood firm.

Sweezey, who had one set of rules for senators and political parties, who had been "taken" for large gifts without a murmur, would not cross the palm of an ancient enemy. And it may be that at this stage it would have been too late.

Those who know the story of this "battle within a battle" have thought it strange that the man who used a million or two to remove diverse obstructions, showed queer reasoning, for his type of mind, when he permitted the high explosive lodged in the very heart of his big power project to be set off because he would not meet a demand for a mere half million.

A few years ago, R. O. Sweezey was an instructor at the Royal Military Academy in Kingston. He graduated from Queen's in engineering. His father was one of the outstanding timber experts of Canada and the son was known as a man who also could size up a stand of timber and defy all sorts of rival cruisers to change his cordage estimates. He was asked to go to Montreal to take up the timber work of his father. He left his "little" job at Kingston with $1,200 in his pocket. From his timber cruising, he earned a reputation for accuracy and clear thinking in the years when Canada's forests were becoming bigger business. He started to promote things such as Port Alfred Paper Company. He was successful. He developed Newman, Sweezey & Company to look after his financing. St. James Street took him up.

He plunged on Beauharnois. He plunged not only into the St. Lawrence, but into that more devious stream of dark and dangerous currents which runs through some sections of Canadian political life.

Those who are convinced that the Beauharnois exposure will have a salutary warning effect upon Canada's future political and financial life and are therefore glad that so many of the facts have come out are no doubt pleased that one loophole was left in the armor of secrecy.

And of course it is possible that the story might have come out anyway.

UNIFORM AUDITING IS TO BE DEBATED

Dominion Chartered Accountants Will Get Together in Regina

The twenty-ninth annual meeting of the Dominion Association of Chartered Accountants will be held August 18 to 21 in Regina. George C. Rooke, F.C.A., president of the association, will preside.

The association, embracing the Institutes of Chartered Accountants of all the provinces of Canada, last year established a permanent secretariat with A. H. Carr, C.A., Toronto, as secretary-treasurer.

Representatives from all the provincial institutes will be present in Regina to consider matters that arise in connection with public accounting. The advantage of having uniform provisions in all the Companies Acts with respect to the auditing of companies, will be one of the subjects discussed. The association will also consider the possibility of lending assistance to the publication of accounting and auditing texts by Canadian authors. Most of the textbooks used in the profession in Canada are written either in England or in the United States

The accredited representatives from the provincial Institutes of Chartered Accountants are:

Nova Scotia: T. H. Johnson and H. E. Crowell, Halifax.

Prince Edward Island: John Anderson, Charlottetown.

New Brunswick: Arthur E. Cox, Saint John.

Quebec: G. S. Burden, H. D. Clapperton, and David Young, Montreal.

Ontario: H. E. Guilfoyle, Fred J. Stiff, and Kris A. Mapp, Toronto.

Manitoba: Walter J. Macdonald, David A. B. Murray, and Keith Drennan, Winnipeg.

Saskatchewan: A. C. Rattray, Regina, and W. E. Hodge, Moose Jaw.

Alberta: F. M. Harvey, Calgary, and J. C. Thompson, Edmonton.

British Columbia: W. R. Carmichael, Fred Field, and W. R. Watson, Vancouver.

HUDSON'S BAY CO. PARES STATEMENT TO FACE FUTURE

New Governor Has Faith in Future of Great West

WRITE DOWN ASSETS

Reserves Established for Balance Sheet Sums of Doubtful Value

Annual meeting of Hudson's Bay Company, held in London on July 29, terminated with the confidence of the shareholders expressed in the new management, headed by P. Ashley Cooper, the governor.

At the meeting, Mr. Cooper outlined the serious losses incurred by the company following the world economic depression and the farm crisis in Western Canada. He forecast a further heavy loss for next year and stated that recovery would be "slow." He announced his impending visit to Canada to study affairs on the spot and the appointment of two new directors—Sir George May, of the Prudential Assurance Company, and E. R. Peacock, a Canadian now a director of the Bank of England, of Baring Brothers, and of the Canadian Pacific Railway.

Trade Deficit £1,380,000

From the operating loss of £746,335, a sum taken from the dividend equalization account had been deducted leaving net trading loss of £444,866. There had been set up further provisions of £476,920 as a reserve against shares in and advances to subsidiary, associated and other companies, £165,898 for depreciation of merchandise and doubtful debts and a further sum for the usual depreciation making total loss on trading account £1,384,644.

In the land account the deficit was £28,222.

Discussing some of the company's assets, Major Cooper said:

"Land, buildings, and equipment in Canada stand at £5,525,448. The great bulk of this item is represented by the buildings and sites of our big stores, and as to their value I will be quite frank with you when I say I am not in a position fairly to assess that today, and indeed, I would go further—in the condition of Canada as it is at this moment I think that he would be a bold man who would be prepared to put a value on this item. When I go to Canada I shall certainly make a point of studying this asset in great detail.

"In connection with the next item—freehold and leasehold premises in London, we have taken out a sinking fund redemption policy which will repay to you the whole cost of this item when the leaseholds fall in and the amount will be available for the capital reserve fund, provided under the charter of 1912.

Shares in Subsidiary Companies

"The next item is shares in and advances to subsidiary companies, etc. It is an extremely difficult thing to arrive at any exact valuation in times like these. A year ago, or even less, conditions in Canada were by no means what they are today, and the values placed on them may well have been justified, but we have looked at the position as things are today and therefore, after most careful consideration, we have decided to make this reserve. Having done so I believe that the balance fully represents the value of this item on the balance-sheet.

"Finally, the item 'land department' consists of 2,381,365 acres of land and £2,283,550 of outstanding installments. Both these items, although of great potential value, stand in the accounts at nothing. It is extremely difficult to say what their value is today. You will see that we have sold lands this year and last year at an average of £2 0s. 11d. per acre but to sell 54,522 acres is one thing and to sell 2,381,365 acres is an entirely different thing, and, therefore, the value must be potential rather than actual. As to the outstanding installments, in the present conditions of Canada it is very difficult to know how much of this will actually be collected, but if we cannot collect the installments the land, as you know, reverts to the company."

Fur Prices Decline

Dealing with the fur trade, Major Cooper said:

"The total collections showed a considerable decrease compared with the previous year. In addition, the decline in fur values continued in the company's subsequent auctions in October, 1930, and January, 1931.

"As you know, your company's fur trade in the Far North is carried on under somewhat unusual conditions. Many of the fur trade posts are in remote and isolated regions, and communication is limited to once a year when the supply vessel calls to deliver fresh stocks of merchandise and to bring out the furs collected during the winter. Consequently in many instances it is impossible when fur prices fall to instruct the post to reduce their purchasing tariff sufficiently early. In these circumstances, therefore, losses are inevitable, but you will appreciate that on a rising market the same factors tend to enhance profits."

Dealing with the disappointing results in the land department, the governor stated that the returns were affected by the continued decline in the price of wheat and by the general commercial depression which has affected not only Canada but the whole of the world.

"In these circumstances it is not surprising that there was little or no demand for our lands, and indeed the farmers in many instances found it impossible to meet their obligations in regard to payment of installments and interest on land previously purchased.

"The sales of farm lands totalled

(Continued on page 10)

DIVIDEND NOTICES

Windsor Hotel Limited

Preferred Stock Dividend No. 15

Notice is hereby given that a dividend of one and five-eighths per cent (1⅝%) has been declared on the 6½% Cumulative Preferred Stock of WINDSOR HOTEL LIMITED for the quarter ending August 31st, 1931, payable on September 1st, 1931, to shareholders of record at the close of business on August 15th, 1931.

By order of the Board.

R. SMITH, Secretary.

Montreal, August 4th, 1931.

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 178

Notice is hereby given that a dividend of Three per cent on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1931, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st September next, to shareholders of record at the close of business on the 31st day of July, 1931. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN, General Manager.

Toronto, 17th July, 1931.

National Steel Car Corporation, Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of fifty cents (50c) per share has been declared, payable October 1st, 1931, to shareholders of record at the close of business, September 17th, 1931.

By order of the Board.

CHAS. W. ADAM, Secretary.

Hamilton, Ontario, August 11th, 1931.

POWER CORPORATION OF CANADA LIMITED

Second Preferred Dividend No. 17

NOTICE is hereby given that a dividend of one and one-half per cent (75 cents per share) being at the rate of 6% per annum, has been declared on the 6% Non-Cumulative Participating Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending September 30th, 1931, payable October 15th, 1931, to shareholders of record at the close of business September 30th, 1931.

By order of the Board,

L. C. HASKELL, Secretary.

Montreal, July 24th, 1931.

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 15

NOTICE is hereby given that a dividend for the quarter ending August 31st, 1931, at the rate of 6½% per annum, will be paid on September 15th, 1931, to preference shareholders of record at the close of business on August 31st, 1931.

By order of the Board,

A. W. GIBB, Secretary.

Winnipeg, July 27th, 1931.

THE BANK OF TORONTO

Dividend No. 200

Notice is hereby given that a Dividend of Three per cent upon the Paid-Up Capital stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of September next to shareholders of record on August Fifteenth, 1931.

By Order of the Board.

H. B. HENWOOD, General Manager.

Toronto, July 8th, 1931.

P.T. LEGARÉ CO. LIMITED

DIVIDEND NOTICE

The regular 1¾% quarterly dividend on the 7% Preferred Stock of this Company has been declared for the quarter ending August 31st, 1931, payable on the 1st day of September, 1931, to shareholders of record at the close of business the 15th day of August, 1931.

By order of the Board.

P. C. FALARDEAU, Secretary-Treasurer.

Quebec, August 1st, 1931.

Canadian Pacific Railway Company

Dividend Notice

At a meeting of the Board of Directors held today, the following dividends were declared:—

On the Preference Stock, two per cent. for the half-year ended June 30, 1931:

On the Ordinary Capital Stock, one and one-quarter per cent. for the quarter ended June 30, 1931, from railway revenues and special income:

Both dividends are payable October 1, 1931, to Stockholders of record at three p.m. on September 1, 1931.

By order of the Board.

Ernest Alexander, Secretary.

Montreal, August 10, 1931.

IMPERIAL OIL, LIMITED

DIVIDEND

Notice to Shareholders and the Holders of Share Warrants

Notice is hereby given that a dividend of twelve and one half cents (12½c) per share, has been declared by the Directors of the Company and that the same will be payable in respect of shares specified in any share warrant of the Company of the 1929 issue within three days after the Coupon Serial Number THIRTY (30) of such share warrant has been presented and delivered to ANY BRANCH OF

THE ROYAL BANK OF CANADA

such presentation and delivery to be made on or after the 1st day of September, 1931.

Payment to Shareholders of record at the close of business on the 15th day of August, 1931, and (whose shares are represented by share certificates of the 1929 issue) will be paid on the 1st day of September, 1931.

The books of the Company for the transfer of shares will be closed from the close of business on the 15th day of August, 1931, to the 1st day of September, 1931.

By order of the Board.

F. E. HOLBROOK, Secretary.

56 Church Street, Toronto, Ontario.

CANADIAN WHEATS SELL AT PREMIUM OVER U. S. PRICES

Narrowing Spreads Tend to Bring Speculators Into Market

From Our Own Correspondent

WINNIPEG.—The wheat market, although unable to sustain all the recent advance, has strengthened by several cents from its lowest points. Although there are factors indicating probable long-term improvement too much must not be expected of any present movement. Low prices are essential to a correction of present conditions, to force wheat into livestock feeding in the United States before a new corn crop is harvested, to promote sales in the Orient, and to discourage planting of fall wheat. Winnipeg prices have advanced above the basis prevailing in Chicago, a reflection of the expected short crop in Canada as compared with the very large crop to the south. Fairly strong premiums on Canadian wheat, especially of the higher grades, in export trade may reasonably be expected to continue, but there is danger of the premiums becoming too high and diverting business to the United States, which otherwise might have to come to this market.

Cash Wheat at Premium

Cash wheat in Winnipeg is now selling at a premium over the October future, and the spread between different futures has narrowed up to much less than regular carrying charges. This is due to the expected considerable reduction in Canadian supplies during the coming year, together with the probability that much of the new crop wheat will be inferior in grade or quality to the old, which makes some dealers anxious to get in hand definite wheat which they may need later for export.

The narrowing spread on futures is tending to create more speculative interest in the market, as it means the possibility of buying for future delivery at very much less than a carrying charge over present prices and, in the case of October and December wheat, at less than present prices. Winnipeg May is proving attractive as a spread against sales of the Chicago May, as the premium on Canadian wheat for that month is narrow and might advance.

Pioneer Gold Has Reserves Of $5,000,000

Advice from Vancouver says Pioneer Gold Mines of B. C., is making rapid progress with the expansion programme at its property on Cadwallader Creek in the Lillooet mining division of British Columbia.

The present 100-ton capacity mill is being increased to 300 tons simultaneously with raising of a new three-compartment shaft. The new shaft is being put through from the eighth level and is planned for completion about the end of this year, to coincide with completion of the new mill addition.

The No. 8 level, which is the most extended along the vein, shows continuous ore along the whole length of 1,775 ft. and averages a width of three feet. It is stated that the ore indicated above the eighth level can now be conservatively estimated at $5,000,000.

Reduction Plant Planned in Winnipeg River Area

A report from Winnipeg states that plans are under way for the construction of a reduction plant to treat the complex ore found in the pegmatite dikes in the Winnipeg River area. Plans call for locating the plant at some point on the Winnipeg River where cheap electric power would be available. The plant is understood to incorporate details worked out in the pilot plant in New York and to be entirely along new lines.

For some years the pegmatite dikes in the Winnipeg River district have been of interest to geologists. Many minerals are contained in these dikes, including beryllium and lithium. Difficulty, however, has arisen in connection with the treatment of these minerals. It is understood that New York interests are behind the project. Canadian geologists have not been enthusiastic about the possibilities offered owing to the complex nature of the ore, and lack of definite tonnage indicated.

The new development, as planned, will be watched with great interest. If it successfully works out the metallurgical problems involved and demonstrates the commercial importance of the ore, it will add a new chapter to Manitoba's mining possibilities.

Imperial Oil Explains Alberta Oil Situation

Attack Launched by Independent Operators Against Curtailment of Production Brings Reply as Company's Position

Following the recent announcement of the Imperial Oil that its refinery at Calgary could not handle the current production of crude naphtha from the Turner Valley field and which limited its purchases to 50 per cent of the June output, a strong protest from the individual operators has been brought forth, declaring that the Government, through its recent conservation measures and Imperial Oil through its restricted purchases, are making progress impossible, a group of the Turner Valley producers have launched a campaign against the Imperial Oil which has brought a reply from that company explaining its present position.

Imperial Oil's Stand

The following is the reply to the situation by the Imperial Oil Limited.

"During more than half a century Imperial Oil, Limited, has steadfastly refrained from recognizing attacks made upon it when such attacks have been actuated by mercenary or selfish motives. Here for the first time it deviates from this policy because it feels that hundreds of thousands of its friends in western Canada may be misled by propaganda now being circulated which implies that Imperial Oil has brought about the condition of restricted output and lower prices which exists in the Turner Valley. Fair-minded and unprejudiced citizens of Alberta will, it is felt, be interested to read a fair-minded presentation of conditions.

Consumption Reduced 48 Per Cent

"In the last three months of this year the consumption of gasoline in the Alberta area has been forty-eight per cent below that of the same period last year. Imperial Oil cannot buy what it cannot sell. In the hope that business would improve and that more gasoline would move into consumption, the company has been accumulating surplus stocks of gasoline at the Calgary refinery to such an extent that its storage capacity has been tested. From present indication it will have in storage on December first, 300,000 barrels of gasoline, which it will have to carry over the winter season.

"The costs of the Turner Valley product, plus freight rates, are such that the product cannot compete with other gasoline except within a freight radius of Calgary. Turner Valley gasolines laid down at the Sarnia refinery of Imperial Oil, within reach of a large consuming market, would cost on the present basis of prices and freights $5.97 per barrel. Casinghead gasoline, which is equivalent to the product of Turner Valley, on the basis of prices existing in the Mid-Continent field and of established freight rates would cost $2.76 per barrel. It is obvious, therefore, that the amount of naphtha drawn from the Turner Valley must depend entirely upon consumption of gasoline within that area of the western provinces where favorable freight rates prevail.

"In spite of the reduction of fifty per cent in the purchases in the Turner Valley, which occurred on July 20 last, Imperial Oil is still receiving from that area a greater quantity than is being imported. Imports in the year 1930 amounted to 4,000 barrels a day. These imports in the first six months of 1931 were reduced to an average of 1,340 barrels a day. In the year 1930 the company drew upon the Valley for 2,928 barrels a day and for the first six months of this year this amount was increased to an average of 3,800 barrels a day.

Why Company Buys Foreign Crude

"Foreign crude is imported to meet the demand for petroleum products, other than gasoline. Ninety-five per cent of the Turner Valley and Red Coulee production is light naphtha from which fuel oil, kerosene and a large number of other petroleum products cannot be made. The gasoline content of the imported crude is relatively small, being in the neighborhood of twenty per cent. This gasoline content is necessary, however, to mix with Turner Valley naphtha in order to make the latter a marketable gasoline.

"Before reducing its purchases from the outside producers Imperial Oil cut its own production and that of its subsidiaries by one half. Since Imperial Oil and its subsidiaries have more than fifty per cent of the total investment in the Turner Valley field, they are being penalized more than the remainder of the field by the reduction in output.

"Facing the season of lessened consumption and with its storage facilities for surplus products exhausted, Imperial Oil cannot continue to accumulate what it cannot sell.

"To market its product and to enable its farmer customers to seed and to harvest their crops last year Imperial Oil extended a large volume of individual credits. Had it not done so production in the Turner Valley would of necessity have been curtailed much earlier. The company has voluntarily shared in equal measure with every other Turner Valley producer the penalties of a world-wide condition. Declining markets for commodities and lessened consumption are the basis of curtailed production in the Turner Valley and to impute to Imperial Oil responsibility for these is both unreasonable and unfair."

Dome's July Production Shows Slight Decline

July gold production by Dome Mines is valued at $299,280 as compared with $328,700 in June and an average of $294,000 per month for the first six months of the current year.

The slight decline in production gives very little indication as to operating conditions as the production from all properties varies considerably from month to month, and in but few cases can they be taken as representative of the actual mining operations.

Indications point to Dome's production being approximately $3,500,000 for the current year. Operations are at its full mill capacity of approximately 1,500 tons daily with mill heads averaging slightly better than in previous years. June heads were above the average for the previous months.

Two Bob Promotions in Bankruptcy Courts

Following the announcement last week of the removal of the Consolidated Chromium Corp. from the New York Produce Exchange, comes the announcement of involuntary petitions in bankruptcy for the company.

Chas. V. Bob, who is under indictment charged with using the mails to defraud in connection with his promotions, was the sponsor of the company. Another Bob promotion, the Pacific Coast Hotels Co. has also filed involuntary petitions in bankruptcy.

Golden Centre Mines is also a Bob promotion which acted as a holding company and controlled the Discovery Mining & Power Co. Ltd., a Delaware incorporation, formed to develop a placer deposit along Pine Creek in British Columbia.

International Utilities Makes Offer for Trust

International Utilities Corporation has made a share exchange offer for Nassau Management Corporation. The managers of the trust have agreed to the plan.

Stockholders of Nassau Management Corp. would receive two shares of International's Class B stock or, as an alternative one half share of Class B stock and one share of $1.75 preferred.

Nassau Management Corp. was organized in 1929 to exercise the function of a financing trust. The stock was offered in March, 1929, at $52 per share. Dividends were paid to March, 1930. No details of its assets are available.

Wet Weather Retards N. A. M. E.'s Programme

Development of the Northern Aerial Minerals Exploration Co.'s bornite find in the Copper Mine River area, of the Northwest Territories, has met with difficulties owing to extremely heavy rains filling the trenches.

One trench was opened for a length of 60 ft. and a depth of 12 ft., but was so flooded that exploration has been held up. A diamond drill is on the way to the property by boat. It will be landed at Fort Hearne, at the mouth of the Coppermine River, and will be flown in from there. It is expected to have the drill in operation the later part of this month.

Feed-cost of Milk Now Below 7-year Average

A considerable reduction in the feed-cost of producing milk is noticeable in comparison with the seven-year average cost from 1924 to 1930 inclusive, according to investigations conducted by the Dominion Experimental Farm, Nappan, N.S.

Average feed-cost per 100 pounds of milk from a Guernsey herd during the seven-year period was $1.80 during the stabling season, November to May, and $1.25 from June to October, the pasturing season. In 1930 the feed-costs were $1.62 and 97 cents respectively. From November, 1930, to May, 1931, the cost was $1.41, while in June it was 52 cents. Increased production and lower feed prices account for the reduction.

Under average conditions feed costs represent approximately 60 per cent of the total cost of production.

J. J. Seguin Co. Announce Plans for Expansion

From Our Own Correspondent

MONTREAL.—J. J. Seguin Co., of St. Lambert, P.Q., have approved plans for the construction of a $200,000 creosoting treating plant as an additional unit to its present property.

The new unit will consist of a cylinder eight feet in diameter and 107 in length, for the pressure treatment of railroad ties, bridge timber, structural timber, poles and pilings, and construction lumber.

The equipment will include Rueping tanks, mixing and measuring tanks, compressors for the creation of vacuum as well as other apparatus commensurate with the requirements of new engineering methods in connection with the chemical treatment of lumber.

NATIONAL LIGHT MADE INTEREST BY GOOD MARGIN

Annual Report Shows Progress But Current Position Weak

National Light & Power, Ltd., has earned bond interest requirements 2.12 times, after depreciation, according to the first annual report of the company just issued, and which covers the period from May 23, 1930, to May 31, 1931. The company acquired the electric light and power plant at Moose Jaw from the city in May, 1930, and in its first year of operation as a privately owned enterprise gross earnings from operations were $574,733 as compared with $562,340 in the previous year under city ownership. This gain was made in face of decreased rates and more difficult business conditions.

Owned by Iowa Southern Utilities Co., the only public interest in the Canadian company is in the 6 per cent first mortgage bonds, series A, of which there is $2,000,000 outstanding.

Income Account: May 23, 1930, to May 31, 1931

	$
Operating Revenue:	
Electric	561,319
Heating	13,414
Total operating revenue	574,733
Less: Operating expense	262,616
Net operating revenue	312,117
Add: Other income	3,494
Total net income	315,611
Less: Depreciation	28,737
Bond interest	122,333
Taxes	26,894
*Other interest	21,210
Amortization of bond discount and expense	9,893
Net earnings	106,544

*Including interest on $200,000 6 per cent ten-year gold notes for one year and seven days.

The balance sheet as at May 31, 1931, shows total assets of $4,028,300, of which $3,582,910 is in plant and equipment. This latter figure compares with $3,460,480 shown at December 31, 1930. Current assets are up to $155,803, from $109,296 in December, due chiefly to increase in accounts receivable and materials and supplies. Current liabilities have increased to $495,986 from $384,998 in the same period.

Among current liabilities, notes payable have been increased to $410,000 from $325,000; accounts payable to $37,443 from $21,058, while accrued interest and accrued taxes have also increased. Reserve for depreciation remains at $17,283, although other reserves have been increased to $8,587 from $1,750. Customers' deposits amount to $17,283; deferred liabilities are down to $909 from $6,078. In addition to the first mortgage bonds there is $200,000 of 6 per cent gold notes outstanding, $1,100,000 of 7 per cent preferred stock of $100 par value and 100,000 shares of no par value common. Surplus has been increased to $113,252 from $109,296.

Food in Storage on Lower Scale

The effect of poor markets and lower prices upon the producers of primary food commodities is indicated by the fact that stocks in cold storage warehouses in Canada were in much smaller quantities as at August 1 in comparison with those on hand both at the same time last year and the five-year average at the same date.

Dairy produce in store was 22 per cent less than a year ago and about 43 per cent under the five-year average. The amount of beef and lard was but two-thirds of that in storage last year and about 23 per cent below average, while poultry showed similar substantial reductions. Fresh frozen fish on hand was about 12 per cent below the amount at Aug. 1, 1930.

Bank of Int. Settlements Assets Drop 8 p.c. in July

The July monthly statement of the Bank for International Settlements shows a drop of eight per cent in the total of its assets. These at the end of July amounted to $313,826,714, the smallest amount since December. The drop in the assets comes as a result of the German situation, which has resulted in some fairly heavy withdrawals for central banks, while depositors of central banks for their own account dropped $24,500,000.

The Hoover moratorium also has reduced the assets of the Bank for International Settlements, because reparation payments were made through it.

Industrial Accidents Fewer Compared With July, 1930

During July 4,945 accidents were reported to the Ontario Workmen's Compensation Board, 28 of these being fatal cases. The figure compares with 4,860 accidents during June, and 6,14[illegible] during July a year ago.

Total benefits awarded during July amounted to $432,326, of which $340,161 was for compensation and $92,164 for medical aid, as against $511,713 benefits in June this year and $660,844 in July of last year.

Chemical Research To Explain Position

F. H. Beall, president of the Chemical Research Corp., plans visiting Toronto around August 20, to meet financial interests and explain the company's current position.

Following articles appearing in recent issues of The Financial Post, shareholders, financial interests sponsoring Chemical Research stock impressed upon Mr. Beall the unsatisfactory view held by the Canadian shareholders toward the company. A shareholders' protective committee has been mooted and Mr. Beall's intention to visit Toronto, is believed to be an attempt to put the affairs of the company in a better light.

MOFFATT-HALL REPORTS WORK ON LOW LEVELS

Development Programme Calls for Sinking Shaft, Opening New Levels

Shareholders of Moffatt-Hall Mines are in receipt of official progress report covering development at the company's property in Kirkland Lake which tells of the find made on the 150 ft. level. The report states that finances for the resumption of development were arranged last spring and since then no time has been lost in proving up the property. Work was resumed early last May and since that time a considerable amount of development has been carried out. A two-compartment shaft was put down to a depth of 150 ft. and some 170 ft. of crosscutting carried out, north and south. This crosscut encountered six well defined veins. Thorough sampling shows one vein to have an average value of approximately $14.90 per ton over a width of about 4½ ft. It is the intention of the management to continue the shaft to greater depth and open levels at 300 ft. and 450 ft. horizons.

HUDSON'S BAY CO. PARES STATEMENT TO FACE FUTURE

(Continued from page 9)

only 54,000 acres during the year under review compared with 235,000 acres last year. We believe that the sales of other land-selling organizations in Western Canada suffered a similar decrease.

"Until the conditions I have described improve we cannot expect to sell much land, nor can we expect much revenue from the Land Department, and we must be prepared to continue the traditional policy of the company, giving sympathetic consideration to the circumstances of the company's debtors in connection with the purchase of lands. In the meantime, as you know, we have to find a very large sum for taxation on our unsold lands, and we may decide to take further advantage of our agreement of December 23, 1924, with the Dominion Government and surrender certain areas to the authorities."

General Reduction in Buying Power Led to Losses on the Stores

"The company's policy of expansion in regard to the Stores Department was completed for the time being with the extension of the stores at Vancouver and Calgary and the erection of the Winnipeg new store. But I ought to tell you that in 1929 your board decided that the future prospects of Regina, which, as you know, is the capital of the Province of Saskatchewan, justified the company in opening a store there. Accordingly a suitable site was purchased and the company entered into an agreement with the City of Regina authorities that in consideration of the city granting various amenities the company would erect a store building to be completed not later than December, 1932.

"In view of the existing adverse conditions, however, the whole matter is receiving careful consideration."

Review Newfoundland Trade

Consideration is promised of the company's investments in a group of trading companies operating out of St. John's, Nfld.

"Some years ago the question of the provision of additional transport on the Labrador coast and in Hudson Bay was under consideration, and, as a result, an interest was taken in a group of companies operating from St. John's, N.F. Subsequently our interest in these undertakings was increased partly with a view to developing our salmon trade, to which your attention has been called at previous general courts.

"This group of companies, taken as a whole, have shown losses during last year, and, although the total sum involved is not large compared with our total assets, this is a matter which is receiving the attention of your board. I may say that, as I told you when dealing with the accounts, the company's share of these losses has been provided for in our trading results for the year, and in addition a provision has been made in respect of the estimated fall in capital value.

Oil Interests in West

"With regard to our oil interests, current development work has to some extent increased our investment, but I should like to make it clear to you that, in agreement with our associates, all expenditure in this direction is being cut to a minimum.

"I might add that exploration work has not reached the stage where I have very much of interest to tell you, although oil in small quantities is being produced.

"Our interests in lead and zinc properties have come to an end, and the capital we invested in them has been returned to us in full with a profit."

Shows Faith in West

After outlining the difficulties facing Western Canada, Major Cooper declared:

"But in this hour of trouble we must remember that Western Canada has a rich and prolific soil. But she has more. She possesses one of the sturdiest, most virile peoples on the face of the earth. That is why I am confident of the future and that is why I say—if we all pull together and if no further unforeseen calamity occurs, I am sure that the economic structure of that wonderful region will be sufficiently strong to withstand the strain."

That Hudson's Bay Company shares were over-valued before the war was the governor's contention.

"It is not the business of the board to deal with the price of our shares, but I know how seriously many of you have suffered from the heavy depreciation in your shares. In my opinion the shares of this company, when they stood on the Stock Exchange at the very high prices at which they did before the War, were over-valued. Only a continuance of the extraordinary prosperity and high values of land created by the large and steady immigration into Canada in years gone by could have justified the prices at which the shares changed hands. If you will look back you will find that the big dividends of those days came from the Land Department rather than from the trading departments.

"It is not much comfort to you, many of whom have bought your shares at much higher prices, to be told that they have only fallen in company with many others. But I think it is useful, in order that you may have a true picture of the situation, to have one or two figures of other companies from which to draw comparisons.

"The shares of this company have fallen from 131s. 3d. at the highest in 1928 to 22s. 6d. the lowest, in 1930."

Major Cooper quoted figures to show that the decline was not greater than in shares of such other companies as C. P. R., Massey-Harris, etc.

The Western Savings & Loan Association
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NOTICES

Plan for the Reorganization of

CANADA POWER AND PAPER CORPORATION

and its Subsidiaries under and by virtue of the Plan and the relevant Deposit Agreement both dated as of June 2nd, 1931.

NOTICE THAT PLAN IS DECLARED EFFECTIVE.

TO THE HOLDERS OF SECURITIES AND SHARES OF:—
Canada Power and Paper Corporation;
The Anticosti Corporation;
Belgo-Canadian Paper Company, Limited;
Laurentide Company, Limited;
Port Alfred Pulp and Paper Corporation;
St. Maurice Valley Corporation;
Wayagamack Pulp & Paper Company, Limited.

NOTICE IS HEREBY GIVEN that the Committee referred to in the above-mentioned Plan and Deposit Agreement, has this day in the exercise of its absolute discretion and under the Provisions of the said Plan and Deposit Agreement and more particularly the provisions of Article VIII of the said Plan and section 14 of the said Agreement and the authority thereby conferred upon the said Committee, declared the said Plan effective.

DATED AT MONTREAL, this 10th day of August, 1931.

GORDON W. SCOTT, Secretary.

Plan for the Reorganization of Canada Power and Paper Corporation and its Subsidiaries under and by virtue of the Plan and the relevant Deposit Agreement both dated as of June 2nd, 1931.

EXTENSION OF TIME FOR DEPOSIT TO AUGUST 31st, 1931

TO THE HOLDERS OF SECURITIES AND SHARES OF:—
Canada Power and Paper Corporation;
The Anticosti Corporation;
Belgo-Canadian Paper Company, Limited;
Laurentide Company, Limited;
Port Alfred Pulp and Paper Corporation;
St. Maurice Valley Corporation;
Wayagamack Pulp & Paper Company, Limited.

PLEASE TAKE NOTICE that the Securities Protective Committee has this day exercised its power to extend the time for receiving deposits of securities and shares under the Plan and Agreement dated as of June 2nd, 1931, relating to the above reorganization by further extending such time to and including August 31st, 1931.

DATED AT MONTREAL, this 10th day of August, 1931.

GORDON W. SCOTT, Secretary.

MR. MANUFACTURER
Can you use the executive services of this credit and office manager?
Middle-aged executive with successful record in costing, credit, and office management is now available. Best of references.
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Return of the Chartered Banks of the Dominion of Canada June 30, 1931

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	36,340,465	15,727,219	....	23,943,340	149,758,233	396,875,457	84,933,046	2,528,017	1,425,393	11,684,734	274,778
Nova Scotia	13,049,606	748,640	....	594,227	39,811,977	130,935,417	33,839,569	2,731,837	91,109	2,973,321	415,792
Toronto	6,659,259	162,957	....	1,155,459	26,761,837	65,827,760	....	1,065,768	507,631	2,976,573	146,437
Provinciale	3,753,947	107,983	500,000	62,919	5,633,404	35,864,601		....	....	77,754	....
Commerce	25,393,640	2,038,171	....	4,612,853	130,484,846	297,198,057	46,098,556	1,758,552	912,215	17,242,901	462,435
Royal	32,388,172	4,746,345	12,000,000	6,183,965	162,261,016	295,696,691	186,148,959	1,193,972	851,747	30,395,496	3,583,196
Dominion	6,876,234	264,644	....	616,467	31,250,994	67,410,725	3,474,820	636,127	698,786	2,041,003	6,327
Nationale	9,497,049	519,082	1,000,000	2,708,317	21,960,312	88,206,786	1,434,809	1,450,907	77,720	555,550	....
Imperial	8,328,145	2,361,747	....	4,024,707	32,086,588	71,634,748	....	1,550,157	402,042	2,462,884	....
Barclays (Canada)	272,420	79,508	....	....	738,133	706,712	....	1,240	879,235	1,261,004	....
Total	142,558,937	26,756,296	13,500,000	43,902,254	600,747,340	1,450,356,954	355,929,759	12,916,577	5,845,878	71,671,220	4,888,965

NAME OF BANK	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	% Last dividend	Loans to Directors	Average gold and Coin Held	Average Domin on Notes Held	Greatest amount of notes in Circ
	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	8,466,574	2,013,531	26,166	38,000,000	36,000,000	807,996,959	50,000,000	36,000,000	12	3,516,687	31,776,638	44,361,405	37,004,150
Nova Scotia	5,102,546	140,442	483,868	24,000,000	12,000,000	266,918,356	15,000,000	12,000,000	16	2,491,677	9,656,284	7,494,779	13,544,179
Toronto	1,460,669	114,924	2,216	9,000,000	6,000,000	121,841,494	10,000,000	6,000,000	12	1,749,592	397,590	5,888,250	6,862,064
Provinciale	48,990	37,742	6,151	1,500,000	4,000,000	51,593,495	5,000,000	4,000,000	9	571,371	251,515	439,424	4,000,112
Commerce	17,269,313	....	19,596	30,000,000	30,000,000	603,491,141	50,000,000	30,000,000	12	7,952,331	9,330,000	16,681,000	26,148,286
Royal	36,280,208	82,548	34,068	35,000,000	35,000,000	841,846,387	50,000,000	35,000,000	12	3,527,902	14,862,342	10,948,357	33,104,047
Dominion	3,052,558	437,518	210,713	9,000,000	7,000,000	132,976,921	10,000,000	7,000,000	12	1,536,528	1,039,000	4,025,000	6,944,843
Nationale	428,940	....	4,234	7,000,000	7,000,000	141,843,712	10,000,000	7,000,000	10	984,509	1,089,297	2,576,981	10,020,364
Imperial	901,215	....	1,150	8,000,000	7,000,000	138,753,386	10,000,000	7,000,000	12	250,099	1,115,166	3,664,164	8,870,868
Barclays (Canada)	38,602	15,103	....	500,000	500,000	4,991,960	500,000	500,000	......	....	12,733	106,840	280,855
Total	73,049,615	2,841,808	788,162	162,000,000	144,500,000	3,112,253,811	210,500,000	144,500,000	......	22,580,696	69,530,565	96,186,200	146,779,768

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	32,143,749	43,456,147	3,476,383	699,251	32,153,542	....	781,475	45,748,925	149,916,760	49,511,346	24,001,812	10,139,983
Nova Scotia	9,468,880	9,014,069	1,099,181	1,404,566	8,693,003	....	468,609	8,205,286	37,366,031	15,528,858	12,058,001	26,988,197
Toronto	404,921	5,107,159	523,795	91,888	6,520,540	....	106,505	1,921,913	25,534,331	6,076,239	2,589,701	5,838,885
Provinciale	261,832	379,326	615,565	66,651	2,142,748	1,175,473	3,353	264,682	7,064,060	4,748,770	3,653,174	6,404,403
Commerce†	9,837,949	15,025,181	2,439,320	1,005,163	21,789,907	4,245	500,100	13,939,522	100,787,128	26,491,394	13,922,068	49,910,767
Royal‡	14,851,783	20,029,581	3,491,152	12,815,305	24,776,877	1,693	1,405,281	38,115,308	79,342,074	30,363,716	14,041,360	50,540,829
Dominion	1,042,879	3,504,699	863,750	155,592	6,574,888	....	148,602	2,481,074	18,498,832	4,540,008	3,136,203	12,745,158
Nationale§	1,135,641	1,501,544	1,231,100	163,473	5,383,389	316,779	15,678	983,416	22,227,526	10,566,095	2,856,019	9,412,784
Imperial	1,001,209	4,785,831	860,885	154,073	5,848,950	604,838	1,054,753	3,481,412	20,306,623	9,024,930	153,557	9,446,407
Barclays (Canada)	12,803	84,103	13,505	3,879	463,297	1,496,879	241,248	173,821	568,254	99,268	....	216,315
Total	70,161,646	102,887,640	14,614,636	16,559,841	114,347,141	3,599,907	4,725,604	115,315,359	461,611,619	156,950,624	76,411,895	181,643,728

NAME OF BANK	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	25,865,967	263,422,867	44,758,326	6,473,403	41,352,998	2,510,486	388,049	1,311,897	14,500,000	8,466,574	1,692,109	6,000,000	1,794,078	118,414	810,684,549
Nova Scotia	7,333,596	84,104,230	14,036,365	2,037,532	10,075,747	249,581	62,955	85,369	8,091,968	5,102,546	538,003	3,000,000	2,648,826	87,337	267,748,749
Toronto	....	56,230,857	....	....	4,474,764	198,066	....	39,486	3,729,138	1,460,669	297,673	1,430,866	....	....	122,577,404
Provinciale	....	19,695,094	....	....	1,757,665	158,535	449,434	500,949	2,206,671	48,990	218,973	100,000	....	241,268	52,157,625
Commerce†	33,457,655	208,579,020	23,687,615	2,407,252	28,447,199	2,645,971	2,029,748	2,196,545	14,871,793	17,269,313	1,287,500	8,000,000	4,070,416	360,536	604,963,317
Royal‡	39,713,939	299,303,309	130,272,522	5,167,523	13,971,780	2,697,284	2,202,384	963,635	17,221,389	36,280,208	1,802,495	3,000,000	6,153,643	410,966	848,936,048
Dominion	2,127,662	64,012,657	1,578,785	....	1,796,258	182,701	51,559	15,688	6,073,080	3,052,558	355,340	600,000	....	101,060	133,639,044
Nationale§	....	65,897,195	62,813	9,014	9,390,250	176,852	854,950	725,901	5,713,029	428,940	372,009	3,100,000	....	101,793	142,626,200
Imperial	....	64,349,458	....	103,100	8,138,878	197,007	181,224	482,410	6,403,934	901,215	413,783	2,500,000	....	154,170	140,548,656
Barclays (Canada)	....	1,443,522	....	....	....	....	....	....	....	38,602	8,150	....	....	....	4,863,649
Total	108,498,819	1,127,038,209	214,396,426	16,197,824	119,405,539	9,016,483	6,220,303	6,321,880	78,811,002	73,049,615	6,986,035	27,730,866	14,666,963	1,575,544	3,128,745,241

Column No. 26. Of this deposit $18,630,866 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†In addition to the business of its Agency in San Francisco, the figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Federated Capital

Kindly advise me as to the rating of The Federated Capital Corp.

Federated Capital Corp. is an investment trust of the management type. The trust was formed in the United States in 1927 and has an outstanding capitalization of 122,320 shares of 6 per cent accumulative preferred stock of $25 par value and 210,228 shares of no par value common stock.

At the end of the last fiscal year, April 30, 1931, we understand that the portfolio of the trust had a market value of only about 50 per cent of the cost value. At the end of the previous fiscal year the depreciation was 18 per cent. During the past year the trust sustained losses both in shrinkage of market values and in sale of securities. Liquidating value of the preferred shares has dropped to $22 per share from $26 the previous year. All paid-in surplus and earned surplus has been wiped out.

This trust in common with others of the management type has suffered severely from stock market conditions during the past two years. No dividend has been paid on the preferred stock since August 31, 1930. We also understand that most of the actual income of the trust during the past year was used up in management costs. The trust has a well diversified investment portfolio which includes stocks of insurance companies, banks and trust companies, oils, metals and mining, chain stores, industrials and general, public utilities and railways. While the trust is in a position to benefit materially by any major up-swing in the stock market it is apparent that some time must elapse before it will be in a position to resume dividend payments.

The stock of the trust is not listed in New York and does not enjoy an active market.

Financial Standing

Can you advise me as to the financial position of ———— & Co., stock brokers?

It is against our policy to comment upon the financial standing of any financial house. We do not have copies of the financial statements of these firms and lacking such data our comment would not be well informed. This is a credit rather than an investment matter and it would be better for you to obtain the information through your banker.

Canadian Paperboard

I have not received any interest on my Canadian Paperboard bonds for some time and would appreciate hearing from you as to when I may expect a resumption of payments.

Canadian Paperboard is still being operated by the receiver, and according to semi-official information received this week, the company is now covering its operation expenses. We are given to understand that profits are not sufficient to provide for full depreciation and bond interest. As the situation in the paperboard industry has not undergone any material improvement, we do not anticipate that interest on the first mortgage bonds will be resumed for some time.

Can. Rail & Harbor Terminals

Would you consider the 6½ per cent first mortgage bonds of Canadian Rail & Harbor Terminals Ltd. a safe investment? What have they been selling at recently?

Canadian Rail & Harbor Terminals Ltd. failed to pay interest due June 1, 1931 on its 7 per cent general mortgage sinking fund bonds, outstanding to the amount of $2,000,000. The company has had an operating deficit for every year of operation to date after payment of fixed charges. While this deficit has been decreasing from year to year and was reduced to $132,091 at the year ending December 31, 1930 the company shows a total deficit to date of $965,423.

The 6½ per cent first mortgage sinking fund bonds due 1951 are a first charge against the property of the company which consists of an eight story terminal warehouse in Toronto having approximately 1,000,000 square feet of floor space of which 225,000 square feet is devoted to cold storage. The warehouse is modern in every respect and is well situated but is not yet a paying proposition. Considering the earnings however, it would not appear that the 6½ per cent first mortgage bonds of the company can be regarded in any other light than an outright speculation. The bonds have a nominal price of 35 at the present time with no bid. The company is controlled by Canadian Terminal Systems Ltd., which has recently undergone re-organization due to the inability to meet fixed charges. A number of other subsidiary companies of this holding company are also in financial difficulties.

Quinte and Trent

I would like to have some information on the current position of Quinte and Trent Valley Power Co. I am holding some of the preferred stock of this company and am enquiring as to the possibilities of the stock again being placed on a dividend basis.

Quinte and Trent Valley Power Co., as you know, was seriously affected by the difficulties of the parent company—Canadian Paperboard. Every means are being adopted to find a market for power, which formerly went to Canadian Paperboard, but today the management has not been particularly successful. The company hopes to be able to dispose of one of its plants or to bring new industries into its territory. There is nothing definite to report along these lines and there is not much that one can hold out in the way of hope for early resumption of dividends on the preferred stock.

Beauharnois

Kindly let me have your opinion upon the position of the Beauharnois Power Corp. bonds. So much has been said of this enterprise in the last few weeks that I am uncertain as to the advisability of holding this security.

Over the last two weeks there has been an appreciable advance in the value of Beauharnois Power Corp. bonds. This follows upon the announced intention of the Federal Government to do everything possible to protect the position of the collateral trust bondholders. Though there is uncertainty at the moment as to the future course of this enterprise, there is every reason to believe that it will be carried through to completion and the organization placed upon a sound basis.

Not a Bad List

Would you kindly comment on the following holdings of securities? Practically all stocks were purchased at higher prices than prevail at the present time. My policy is and has been to use dividends and interest to increase equities in the sounder corporations. To the following list I propose adding twenty B. A. Oil at 10.

$500 East Kootenay Power, 1st mortgage bond.

Shares
5 H. Simons & Sons Cigar, pref.
4 Brantford Cordage, 1st pref.
15 Borden, common.
15 National Biscuit common.
20 Steel of Canada, common.
25 Loblaw, common.
15 Dominion Stores, common.
5 Dominion Bridge, common.
10 Can. Canners, 2nd preferred.
8 Brazilian Traction, common.
5 International Nickel, common.
10 Canada Dry Ginger Ale.
10 H. Simon Cigar, common.
10 Massey-Harris, common.
5 Lake of the Woods, common.
40 Wright-Hargreaves, common.
12 Amulet Mines, common.

This list predominates in common stocks for the reason that the holder is a young man and future earning power of the corporations is the first consideration in choosing a stock.

While your securities show you a considerable decline in value, the list is nevertheless a rather good one. Most of your companies have come through the depression fairly well and while the prospects for Massey-Harris are not as promising at the moment, and while Amulet Mines is not one of the best, you have the satisfaction of knowing that you have selected over 15 companies that have in every case escaped the necessity of financial reorganization. Taken as a whole the list should in time show you very substantial improvement above present prices and we would suggest that you exercise the ordinary patience that must be shown by successful common stock investors.

We are now publishing in The Financial Post a list of stocks that seem to offer some prospect at least of sharing in the next market advance, we would suggest you follow these carefully and if you are making further commitments consider the argument presented for and against the stocks referred to. British American Oil will be one of the stocks on our list.

Needs Some Bonds

I have been ill for some time. I am instructed to avoid all worry. I think you will agree that I need advice.

I enclose list of investments. In view of circumstances, perhaps I should aim to make preparations to get completely out of the market with the first substantial advance. If in the meantime, I could accumulate a few real bargains, I might be able to slip out in the next advance without too heavy a loss. The trouble is to pick the bargains.

If I am not going to unload completely, so as to get free from worry, I should certainly do some switching to improve income.

I could, without much inconvenience, invest a further amount if that seems to be the wise thing to do. I shall be glad to have your opinion of the various stocks I hold and such others as you care to suggest.

No. of shares	Name of stock	Aver. cost per share	%
160	Imperial Oil	$21.48	4%
55	Inter. Pete	21.46	8½
60	B. A. Oil	20.63	4½
70	Shawinigan	65.24	6.1
25	Montreal Power	58.60	3.4
20	C. P. R.	39.85	5
30	Canada Wire "B"	34.80	8.6
10	Canada Wire "A"	75.30	6.1
25	Hamilton Bridge	19.44	..
30	Brazilian	25.83	stock
35	Inter. Nickel	17.51	5
25	Steel of Canada, P.	30.30	5.3
25	Dominion Bridge	42.02	9.6
85	Ford Motors "A"	18.92	7
15	Can. Car & F., Com.	14.70	16
50	Can. Car & F., Pref.	19.82	9.4
50	Inter. Utilities "B"	7.77	..
50	Teck Hughes	6.78	9.4
10	McIntyre	23.70	4.7
5	Noranda	18.00	..
5	Lake Shore	26.00	4.5

We disagree with you when you say that you need advice on your investments. We receive in this office every day many lists of securities and we may say that we have not recently received as well assorted and satisfactory a list as you have presented. Very few of our readers manage to diversify to the extent that you have without getting into some corporations that wind up in financial difficulties. There is on your list no company that presents at the moment the prospect of financial difficulties, and while there may be further dividend reductions in some cases, these should be temporary only. You are experiencing the same decline in good investment values that is the lot of all investors at the moment, and since you own your securities outright and are not worried by margin calls, you can afford to wait for a broad upward swing in the market which will carry your list to higher levels.

You suggest a number of other securities that you would consider buying. Those you mention, Bell Telephone, National Breweries, McColl-Frontenac, Dominion Stores, Quebec Power, Consolidated Smelters, all offer attraction and are among the strongest Canadian securities. But we question the wisdom of adding further to the number of your stock. In fact you might find it advisable to divide your present holdings among not more than about twelve of the better securities. This would give you less trouble following the fortunes of the companies in which you are interested and would still provide you with ample diversification. For instance, you hold five mining stocks and it would simplify things if you were to concentrate on one good base metal stock, either International Nickel or Noranda, and one good gold stock, such as McIntyre. You are holding Imperial Oil, and International Pete, whereas a holding in Imperial Oil gives you substantial interest in International Pete through the stock control of the South American company by the Canadian company. You are holding both Dominion Bridge and Hamilton Bridge, although only one, and preferably the larger company, Dominion Bridge, is necessary. A slight revision along these lines might be useful.

Your additional capital could well be utilized to purchase a foundation of good corporation first mortgage bonds that have demonstrated a fully protective earning power through the depression, which can be obtained to yield around 6 per cent, and some excellent preferred stocks of companies that have ample liquid assets and that are earning their preferred dividend at the present time by a substantial margin and which can be purchased to yield around 7 per cent. We would suggest that you have your broker make specific recommendations to you in this regard.

We are not making specific comments on all your stocks as none of them call for any particular warning note.

Commerce & Transportation Bldg.

Is there any possibility of investors getting any money back from the Commerce & Transportation Building and can you tell me if any protective committee has been formed

I am interested in Burns & Co., General Steel Wares and International Proprietaries Ltd. Would you give me their current position briefly?

The affairs of Commerce and Transportation Building have not as yet been cleaned up and there is no information as to whether there will be anything left for investors. So far as we can learn there has been no protective committee formed, and it is doubtful whether any more than a few cents will be returned on the dollar. The building is not well rented at the present time.

We understand that there has been a slight improvement in the position of Burns & Company and that figures for the first six months of the current year will be available within the next week or so.

General Steel Wares has made several changes in organization during the past six months and operating costs have been reduced as much as possible. The sales policy of the company has also been changed and we understand that once general conditions improve the company is in a much better position to take advantage of any new business offered than has been the case for some time past.

While earnings on the Class A shares of International Proprietaries Limited dropped to $4.30 per share in the fiscal year ended December 31, 1930 as compared with $4.49 in 1929, operations of the company must be considered as quite satisfactory, in view of present conditions. As stated in the annual report of the company actual trading operations were higher in 1930 than in 1929 and the decrease in net profits was occasioned by increased appropriation for advertising and losses in exchange.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Gold Stocks

I hold 650 shares of Lake Shore Mines Ltd. at an average price of $20 per share, 1,800 shares of Teck-Hughes at an average of $7 and 1,500 shares of Wright-Hargreaves at slightly under $4. These stocks have been very comfortable ones to hold during the depression but in reading your series of articles on "Stock Market Leaders of Tomorrow" I have been wondering if investment wisdom would suggest a switch from the gold stocks.

Or is it your opinion that, as it has been mine, these golds I hold are ultimately worth more than to-day's prices and are much more stable than any industrial stock that could be bought?

Your holdings of gold stocks is one we would hesitate to improve upon, and we see little attraction in selling them at the present time or switching to other investments.

Lake Shore has indications of being Canada's longest lived gold mine, and since increased earnings are in the offing as well as increased dividends, we see little advantage in selling at the present time.

Teck-Hughes now currently selling at $6.50 per share slightly under your average cost, gives a high yield and in the next few months indications are that a higher dividend will be paid. When higher dividends are announced it is natural to assume an appreciation will result. The outlook for this company is most promising, the only point to watch is its life, this property being much smaller than the adjoining Lake Shore Mines. Any substantial appreciation in price might well lead one to consider in switching to some other stock.

Wright-Hargreaves appears at the present time to be stock well worth holding. Recent developments are most encouraging and considering the great length of the property and the splendid management it enjoys we believe a come back will be staged that will make the stock attractive.

Our recent article on Shawinigan and other industrial stocks will be followed by a number of mining stocks. While these stocks hold attraction as stated previously we see little incentive to sell your gold stocks in order to buy them. While we have great faith in the possibilities of a number of the industrial stocks the stability offered by the dividend paying gold stocks at the present time must not be overlooked. They have definite proven ore reserves sufficient to supply them for several years which insures the maintenance of present ore or higher dividends. This factor few industrial stocks are able to offer.

Oil Royalty Co.

I have a considerable number of shares of a manufacturing concern whose shares are not listed on any exchange but which have depreciated in value since I purchased them over 50 per cent and which are not paying any dividend and offer no probability of doing so in the near future.

I have been approached by a salesman with regard to exchanging at the current market value the securities above mentioned for Oil Royalties which are claimed to be paying a high dividend rate.

I would be exceedingly obliged if you will give me your point of view on this matter and the best advice possible with regard to these particular royalties and whether in your opinion it will be wise to take the loss on the stock and gamble on the royalties making up the loss during the next five years or so.

Not knowing the manufacturing concern whose shares you hold, we are handicapped in giving an intelligent answer on the advisability of exchanging them for shares in an Oil Royalty Co.

Generally speaking the oil situation at the present time is so chaotic and the history of oil royalties so unsatisfactory from an investment standpoint that we would hesitate to suggest commitments in this line of securities.

The history of oil royalties sold in Canada has not been one to encourage future investment, and since the oil situation is getting undoubtedly worse we can see no attraction to commitments at the present time.

Growth of Trucking Phenomena of Decade

Highway Transport Now Big Business With Coming of Balloon Tire—Truck Registrations Doubling Every Five Years

By KENNETH R. WILSON

(Second Article in a Series on Highway Transport and Steam Railways)

The growth of "trucking" into the business of "highway transport" has been one of the outstanding automotive developments of the past decade.

A few years ago trucking was a haphazard hit-or-miss proposition with hundreds of small operators fighting to grab what business they could from the railways and from each other, and was for the most part, purely local or suburban in scope. There is still, of course, plenty of this being done, as might be expected from such a newly-developed business, but in addition there is a big-business phase of trucking which has developed only very recently and which is making for itself a permanent niche of formidable proportions in the field of transport.

Now Big Business

For instance in Ontario alone are several companies which operate as many as 100 trucks each; have their own warehouses and terminals where goods are re-routed or trans-shipped from the big leviathans of the highway to the small one or two-ton delivery trucks used by these companies for city delivery. These companies have their trade association, operate on regular schedules and at a regular "tariff" and have units in operation which carry as much as 20 tons (nearly a carload) in one load, by means of a combination tractor-trailer unit which can roar along the road at 35 or 40 miles an hour with comparative ease.

The activities of The Automotive Transport Association of Ontario (the trade association of Ontario operators) is one indication of this growth. With head office at Toronto it boasts a membership of about 54 concerns operating an average of 15 trucks each, with an average capacity of 3½ tons. Recently it undertook through its secretary, D. R. MacQuarrie, a comprehensive census of the business carried on by its membership. The data from this survey although as yet incomplete, are the first ever to be collected in Canada regarding the operations of highway trucking companies.

Revenue $5,700 Per Truck

Returns from 34 member companies show 307 highway trucks and 104 city "pick-up" trucks in operation. Gross revenue in 1930 amounted to $1,750,000 or about $5,700 per truck, while $608,000 was paid out in wages to some 528 employees. A total of over $99,000 or a little over 5 per cent of gross revenue was paid out in taxes of which $73,000 was for gasolene tax alone.

As to the broader picture of truck growth in Canada, a review of the available data is also of importance.

In the first place, thanks to the system of provincial licensing, no decennial census is required to tell us how many trucks are operating in Canada. The actual count as at December 1, 1930, was 166,745, which on a conservative basis means an investment of approximately $100,000,000. Ten years ago there were about 35,000 trucks and even five years ago there were less than 75,000, which means that at the rate of growth of the last decade, the truck population is more than doubling itself every five years.

Here then are some 170,000 mechanical distributing agents multiplying currently at the rate of 25,000 a year and which day and night are speeding in and around cities and across the countryside, carrying merchandise of every sort and description. Ontario alone has 65,000 or about 40 per cent of the Dominion total, which explains why, as far as Canada is concerned, the heart of this problem of the truck versus the railway, is centred in that province. What is going on across Southern Ontario is a concentrated sample of what shippers are doing in all parts of Canada where paved highways are linking up centres of population, and is prophetic of what may be expected in almost any part of Canada during the next decade if present trends continue.

Balloon Tires Important

As a matter of fact registration figures tell only part of the story of the growth of trucking as a big business, for until a few years ago, the majority of trucks were of the one or two-ton variety, carrying on for the most part purely local trucking operations, and affecting to only a minor degree the steam railroads.

With the coming of the balloon cord tire, however, the picture has changed very rapidly, and under present-day conditions, trucking companies can actually operate economically and successfully, tractor-and-trailer combinations which, as already noted, have a carrying capacity of as high as 20 tons. Ten years ago nearly all trucks were of the light, pneumatic-tire variety; then came to the big five, ten and 12 ton moguls with solid tires that tore and hammered at the pavements. Today the big truck is disappearing if registrations statistics are to be believed, and lighter, swifter units with "trailer" attachments all travelling on big cushiony balloon tires, are getting the business.

One-Third Compete With Rails

When estimating the growth of the truck as a competitor of the railway, however, certain reservations must be made, so as to exclude the thousands of small trucks which operate locally and which take little or any business away from the steam roads. Figures for all Canada are not available, but an analysis of Ontario's trucks as at the end of 1930 reveals that roughly two-thirds or 40,000 of the provincial total, are of less than three tons, gross weight. This leaves one-third or about 20,000 trucks in that province ranging in weight from 3 to 12 tons, which may be said to definitely compete with railways. Applying the same yardstick to the dominion total, would give a figure of between 50,000 and 55,000 for all Canada. To apply the Transport Association figure of $5,700 of gross revenue per truck would give a total of nearly $300,000,000. This is obviously too high but indicates that an estimate of $100,000,000 as the annual gross revenue or its equivalent, of highway transport is conservative.

Another important point is the separation of trucks as between those operated as so-called "common carriers" and those operated by individual corporations. On the basis of Ontario figures, less than 5 per cent of the total truck registrations in the province are operated as "Public Commercial Vehicles," the remainder therefore belonging either to independent owners or to private corporations. In the United States it is estimated that out of the 3,500,000 trucks in that country, approximately 80 per cent are owned by private companies. This is an important consideration as will be seen in subsequent articles, particularly in regard to the question of taxation as it affects both commercial vehicles and the trucking costs of all companies now operating their own private lines.

A further analysis of public commercial vehicle registrations is now available for Ontario due to recent important amendments to the Public Commercial Vehicles Act. These constitute the most significant attempt yet made to control the common carriers of the highway, by registering them into clearly defined groups according to the class and type of service rendered. Out of 2,800 trucks licensed as "P.C.V." vehicles, the provincial subdivision is roughly as follows: 40 per cent are licensed to carry property for hire or gain between fixed termini or over a regular route on the King's Highway; 30 per cent are licensed to transport property belonging to one person only on a trip; 22 per cent are licensed to haul farm or dairy produce exclusively; 5 per cent to operate under contract or exclusively for the transport of a particular type of property, and the remaining 3 per cent to carry property for hire between fixed termini over a regular route from or to a point not on the King's highways. The new legislation also lays down regulations as to bills of lading insurance, regularity of service, accidents, hours of work and so forth.

Only a Few Times in Each Generation

Low prices for many sound corporation securities are reflecting general conditions rather than conditions within the companies themselves.

A situation of that kind is accordingly presenting one of those opportunities to secure high, but well protected, incomes which occur only a few times in each generation.

A special list of well-known bonds and preferred stocks which in our judgment are undervalued by the market will be mailed on request.

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Members Montreal Stock Exchange
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Their influence is powerful.

Now these salesmen, almost without exception, read Hardware and Metal each week — in fact we have yet to find *one* who does not. In some cases, these men do not get home for weeks at a time, but they see Hardware and Metal regularly.

Some of them have been readers of the paper for upwards of 40 years. Its editorial and advertising pages are scanned closely. They regard Hardware and Metal as their closest ally in familiarizing their customers with the merchandise they sell.

Thus it follows that manufacturers who distribute through wholesale hardware houses buy more than "dealer" circulation when advertising in Hardware and Metal. Besides reaching practically every worth while wholesale and retail buyer of hardware in Canada, they get their story before one of the most influential group of business getters in the trade. They build goodwill among the men who can best forward the sale of their goods to dealers. This is a "plus" circulation whose value is so great as to be almost measureless.

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Trust and Loan Companies Reveal Inherent Soundness In Periods of Depression

Canadian Institutions Are Attractive to Investors; Safe for Deposits

SAFETY, appreciation, marketability and yield are four essentials of investment in stocks. Shares in many of the trust and loan companies of Canada combine these factors.

It is noteworthy that in a period of declining stock values, such as the last, the average price of nine trust and loan stocks listed on the Toronto Stock Exchange was only 1.2 per cent below the level prevailing a year previously. In that same time, the average of eight bank stocks had declined 4.6 per cent, ten public utilities had declined 11 per cent and 20 important industrial stocks had declined an average of 21 per cent.

Learn of these fine stocks

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764

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING AUGUST 10

Range 1931 High	Low	Divd. Rate $	Yield in % Aug. 8		Sales	Close Aug. 10 (or last)	Week Ending Aug. 10 High	Low	Close
13¾	3½	.	...	Abitibi, c.	75	4½	4	4	4
50	14	.	...	Do. pref.	85	14¾	14½	14	14½
105	80	7	...	Do. pref.	....	80½	..	..	..
8	7	.	...	Agnew Surp. c.	....	7½	..	..	..
88	84	7	8.3	Do. pref.	....	84	..	..	..
6½	2½	.	...	Alta. Pac. Gr.	....	3½	..	..	..
30	10½	.	...	Do. pref.	20	16	10½	10½	10½
4	3	.	...	Amal. Electric	10	3½	3	3	3
18	10	.	...	Do. pref.	....	11	..	..	..
3½	2½	25c	...	Anglo N. Hold.	....	3½	..	..	..
.50	.25	.	...	Asbestos Corp.	100	.25	.30	.30	.30
2	½	.	...	Do. pref.	200	½	..	..	½
9	5	1	14.3	Assoc. Brew.	420	7	7	7	7
70	67	7	10	Do. pref.	....	70	..	..	..
10	4	.	...	Assoc. Can.	....	4	..	..	..
69	65	4+50	6.8	Assoc. Tele.	....	66	..	..	..
87	87	6	...	Do. pref.	....	87	..	..	..
37½	12½	.	...	Atlan. Sugar	....	21	..	..	..
105	79½	.	...	Do. pref.	....	92	..	..	..
174	158½	10	6.1	Bk. Can. Nat.	28	165	165	165	165
303	256	12+2	5.5	Bk. Montreal	185	257	25	256	256
326	284	16	5.2	Bk. N. Scotia	308	314	313	300	300
238	216	12+1	5.9	Bk. of Toronto	67	218½	221	216	216
24	8½	.	...	Barcelona Tr.	....	15	..	..	..
5½	4	.	...	Bathurst Pr.	122	4	4	4	4
4	2	.	...	Do. (B)	31	2	2	2	2
x26	26	.	...	Bawlf Grain	....	..	..	..	..
25	20	.	...	Do. pref.	....	..	..	..	..
12	6	.	...	Beath & Sons	40	6	6	6	6
20	12	2	13.3	Beatty Bros.	40	15	15	15	15
80	60	6	8.7	Do. pref.	....	68½	..	..	..
8½	3	.	...	Beauharnois	3661	4	5	4	4½
93	85	7	8.2	Belding Cort.	....	85	..	..	..
100	100	7	7	Do. pref.	....	100	..	..	..
55	10	.	...	Belgo C.P. pf.	....	10	..	..	..
151½	127	8	5.8	Bell Telephone	654	138	138	134½	135
4½	3	.	...	Biltmore Hats	....	3	..	..	..
65	60	7	10.8	Do. pref.	....	65	..	..	..
x22	14	.	...	Bissell, T. E.	....	..	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
20	12	2	11.8	Blue Ribbon	75	17½	17½	17	17
39½	30	3.25	9.3	Do. pref.	105	37½	36	35	35
22½	14	2	10.5	Brant. Cd. pf.	....	19	..	..	..
28½	12½	25c	...	Brazilian Tr.	10936	18½	18½	17½	17½
x2		.	...	Brew. & Distil.	....	..	..	..	..
16½	8	80c	7.4	Brit. Amer. Oil	1276	10¾	11	10½	10½
3½	½	.	...	B.C. Packers	265	1½	2	1½	1½
22	5	.	...	Do. pref.	....	5½	..	..	..
42½	33	2	5.5	B.C. Power	462	36½	36½	35½	36
18	10	.	...	Do. (B)	50	10½	11	11	11
3	1	.	...	B.E. Steel	....	1½	..	..	..
21	18½	.	...	Do. 1st pref.	....	18½	..	..	..
3½	1½	.	...	Do. 2nd pref.	....	2½	..	..	..
8	4½	.	...	Bruck S. Mills	....	6½	..	..	..
26	16½	2	9.5	Building Prod.	....	21	..	..	..
44½	29½	3	8.8	Burt, F. N.	60	35	35	34½	34½
146	140	6	4.3	Calgary Pr.	....	140	..	..	..
7¼	3½	50c	10	Can. Bread	340	4½	5	4½	5
100	87	7	7.9	Do. pref. (A)	....	88	..	..	..
80	55	7	11.5	Do. pref. (B)	5	61	61	61	61
13½	8½	1	8.3	Canada Bud	485	12	12	11½	12
18½	8½	.	...	Can. Cement	410	10	10	9½	9½
96	81½	6.50	7.6	Do. pref.	792	83	85½	85	85½
b45	29½	3	8.2	Canada Dry	1800	37⅝	37½	36	36⅝
12	10	1.50	15	Can. Forg. (A)	....	10	..	..	..
x16	5	.	...	Do. (B)	....	..	..	..	..
68	66	3	4.5	Canada Iron	....	66	..	..	..
76	60	6	10	Do. pref.	....	60	..	..	..
16½	10½	1.50	11.1	Can. Malting	37	13½	13½	13	13½
25½	15	80c	3.6	Can. Nor. Pr.	150	25	22	21½	22
107	104	7	6.6	Do. pref.	7	105½	105½	105½	105½
6	1	.	...	Can. Paving	85	1	1	1	1
51	25	7	...	Do. pref.	....	25	..	..	..
216	195	12	6	Can. Perman.	9	200	200	197	200
4.50	.50	.	...	Can. Pr. & Pa.	572	.55	.60	.50	.50
9	3½	.	...	Can. Steamsh's	....	3½	..	..	..
27	9	.	...	Do. pref.	216	12	12	10½	11
20	14½	1.60	8.8	Can. Vinegar	100	18	18	18	18
70	54½	4	6.4	Can. W. Cable	100	64	62	61½	62
30½	16	1.75	8.5	Do. (B)	165	20½	20½	20½	20½
16	9¾	.	...	Can. Bakeries	....	9¾	..	..	..
35	35	4	11.4	Do. pref.	....	35	..	..	..
232	199	12+1	6.5	Can. Bk. Com.	328	201	202	201	201
36½	19	2.50	11.3	Can. Bronze	10	21	22	22	22
110	105	7	6.5	Do. pref.	15	105	108	106	108
13½	8	50c	5.9	Can. Canners	....	8½	..	..	..
92½	82	6	7.2	Do. 1st pref.	....	83	..	..	..
14	8½	80c	7.8	Do. 2nd pref.	65	10	10½	10½	10½
19	9½	1.75	15.5	Can. C. & Fdy.	628	11	11½	10	11
25½	16½	1.75	9.2	Do. pref.	215	20	19	18½	19
14½	6½	.	...	Can. Celanese	....	10	..	..	..
73½	59	7	9.6	Do. pref.	20	70	73	70	70
58	30	4	12.5	Can. Convert.	....	32	..	..	..
x50	45	.	...	Can. Cottons	....	..	..	..	..
55	51	6	11.8	Do. pref.	....	51	..	..	..
36½	23½	3	10.3	Can. Dredge	70	30	29½	29	29
92	92	7	7.6	Do. pref.	....	92	..	..	..
81½	79	6	7.6	Can. Fairb. pf.	....	79	..	..	..
6	5½	.	...	Can. For. Inv.	....	5½	..	..	..
80	80	8	10	Do. pref.	....	80	..	..	..
300	200	4	2	Can. Gen. Elec.	4	210	200	200	200
63½	59½	3.50	5.6	Do. pref.	115	62	62	61½	61½
80	52	6	8.6	Can. Hyd. E. p.	82	70	70	68	68½
5½	1½	.	...	Can. Ind. Alc.	205	2½	2½	2½	2½
3½	¾	.	...	Do. (B)	....	1	..	..	..
5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
70	65	5	7.7	Do. pref.	5	65	65	65	65
42	15	1	3.4	Can. Lt. & Pr.	....	29½	..	..	..
18	18	.	...	Can. Locomo.	....	18	..	..	..
25	10	.	...	Do. pref.	....	10	..	..	..
b4½	1½	.	...	Can. Marconi	4100	2½	2½	2½	2½
23½	9	1	8	Can. Oil	55	11½	12½	12	12½
120	96	8	8.3	Do. pref.	....	96	..	..	..
45½	21⅛	1.25	5.4	Can. Pacific	12335	24½	25	21⅛	23½
6½	5	.	...	C. Pr. & Pa. In.	....	5	..	..	..
6½	2½	.	...	Can. Vickers	....	3	..	..	..
35	16	.	...	Do. pref.	....	20	..	..	..
6	2½	50c	15.4	Can. Wineries	5	3½	3½	3½	3½
16	4	1	10	Can. Wire Box	20	4	10	9	10
3	⅜	.	...	Carling Brew.	....	⅞	..	..	..
12	12	.	...	Catelli Mac. A.	....	12	..	..	..
5	5	.	...	Do. (B)	....	5	..	..	..
301	290	12+3	5	Cent. Can. L'n	....	300	..	..	..
5.35	1.50	.	...	Chem. Research	1125	2.00	3.20	1.86	3.20
64	57	2	...	City Dairy	....	62	..	..	..
x155	120	7	...	Do. pref.	....	..	..	..	..
20.25	9.00	30c(c)	...	Cities Service	85	10.75	10.25	9.00	9.00
10	4½	.	...	Cockshutt Plow	155	5	5	5	5
9	3	.	...	Comm. Alcohol	....	4	..	..	..
9	4	.	...	Conduits	....	4	..	..	..
94	84	7	7.8	Do. pref.	....	90	..	..	..
12½	7½	1	11.1	Cons. Bakeries	155	9	9	9	9
3	½	.	...	Cons. Food Pr.	....	1	..	..	..
6	3	.	...	Do. (A)	....	3	..	..	..
18½	10½	80+20c	6.5	Cons. Indust.	220	15	15½	15	15
31	25	2	8	Cons. Press	35	26	25	25	25
80	62	7	10	Cons. Sand, pf.	....	70	..	..	..
188½	71½	2.50†	2.76	Cons. Smelters	86	92	95	90	90½
187	180½	10	5.4	Consumers Gas	95	184	184½	183½	184
x35	30	.	...	Cooksville Co.	....	..	..	..	..
x85	85	4	...	Do. pref.	....	..	..	..	..
20½	15	.	...	Corporate Steel	....	15	..	..	..
x90	90	.	...	Corr. P. Box, p	....	..	..	..	..
2½	1	.	...	Cosgrave Br.	85	2	2½	2	2
9	5	.	...	Cosmos Imp.	40	7	7	7	7
93	65	7	10.8	Do. pref.	5	70	65	65	65
6½	2	.	...	Crown Dom. Oil	150	3	3½	3	3½
15	8½	3	...	Crow's N. Coal	230	13	10⅛	10⅛	10⅛
5	4	.	...	David & Fre. B	....	4	..	..	..
12½	12½	.	...	De Havilland	....	12½	..	..	..
9	9	.	...	Disher Steel	15	..	9	9	9
x18	17	1.50	...	Do. pref.	....	..	..	..	..
12½	8	1	10.5	Distill Seagram	215	9	9½	9	9⅜
223	207	12+1	6.2	Dominion Bk.	91	209	208	208	208
55½	27½	3	9.7	Dom. Bridge	271	31½	31½	31	31
40	40	.	...	Dom. Coal	....	40	..	..	..
50	15	.	...	Dom. Engineer.	90	18	20	20	20
x14	10	.	...	Dom. Found.	....	..	..	..	..
126	90	7	7	Dom. Glass	....	100	..	..	..
125	119	7	5.6	Do. pref.	....	125	..	..	..
20	20	.	...	Dom. Iron, pf.	....	20	..	..	..
14	10	.	...	Dom. Pr. Stubs.	....	12	..	..	..
24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
8½	2¾	.	...	Dom. St. & C.B.	106	2½	3	2½	3
24½	13½	1.20	5.4	Dom. Stores	1318	22	22½	21	22
14	5	.	...	Dom. Tar & Ch.	285	7	6½	6	6½
93	80	6.50	8.1	Do. pref.	....	80	..	..	..
83	63	5	7.3	Dom. Textile	25	66	68	66	68
123	120	7	5.8	Do. pref.	43	120	120	120	120
12	10	.	...	Donnacona	....	10	..	..	..
7	2½	.	...	Dryden Paper	50	3½	3½	3½	3½
7½	3	.	...	Duff. Paving	....	6	..	..	..
80	68	7	10.3	Do. pref.	....	68	..	..	..
11½	4	40c	10	Durant Motors	40	4	4	4	4
25½	16	1	4.5	East. Dairies	32	21	22	22	22
20	18	1+1	...	East. Steel	....	18	..	..	..
100	97	7	7.2	Do. pref.	....	97	..	..	..
16	16	.	...	East Koot. Pr.	....	16	..	..	..
97	94⅛	7	7.3	Do. pref.	....	96	..	..	..
x34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
3½	3½	.	...	Easy Washer	....	3½	..	..	..
37	34½	2.50	6.7	Economic Inv.	....	37	..	..	..
15	15	.	...	Edmonton D'y	....	15	..	..	..
80	80	6.50	8.1	Do. pref.	....	80	..	..	..
8	5	.	...	Enam. & Heat.	....	5	..	..	..
40	28½	3	10.3	Eng. Electric	....	29	..	..	..
16	10	.	...	Do. (B)	....	10	..	..	..
39½	16	2	11.1	Fam. Players	....	18	..	..	..
33½	18	2	11.1	Do. Vot. Tr.	....	18	..	..	..
19	9½	1	9.1	Fanny Farmer	....	11	..	..	..
34	28	2.40	7.4	Do. pref.	....	32½	..	..	..
x.25	.10	.	...	Federal Distil.	....	..	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
29½	14½	1.20	7	Ford Motors A	551	17	17½	16½	16½
15	6	.	...	For. Pr. Secs.	....	12½	..	..	..
16½	8½	1	11.7	Foundation Co.	100	12	8½	8½	8½
3.00	.50	.	...	Fraser Cos.	....	1.25	..	..	..
25	25	.	...	Fron. Brew. pf.	....	25	..	..	..
8	5	.	...	Frost St. Wire	....	7	..	..	..
96½	85	7	7.9	Do. pref.	....	88	..	..	..
7½	2½	.	...	Gen. St. Wares	485	3	3	3	3
110	70	5+2.50	7.2	Goodyear Tire	5	99	104	104	104
107½	94½	7	6.7	Do. pref.	60	103	104½	102½	104½
93½	93½	7	7.5	Gould Pumps, p	....	93½	..	..	..
¾	½	.	...	Gt. W. Saddlery	....	½	..	..	..
8	6	.	...	Do. pref.	....	8	..	..	..
31	20	2	7.8	Gurd, Chas.	110	25½	25½	25½	25½
12⅛	7½	80c	10	Gypsum, Lime	491	7⅞	8	8	8
20½	7	.	...	Ham. Bridge	165	8½	8	7½	8
80	63	6.50	10.3	Do. pref.	....	63	..	..	..
19	13	2	15.4	Ham. Cotton, p	....	13	..	..	..
4½	3	.	...	Ham. U. Theat	....	3	..	..	..
63	55	7	11.7	Do. pref.	....	60	..	..	..
12	4	.	...	Hayes Wheel	....	6	..	..	..
x95	80	.	...	Do. pref.	....	..	..	..	..
x50	50	.	...	Hillcrest Coll.	....	..	..	..	..
x91	91	.	...	Do. pref.	....	..	..	..	..
4	3½	.	...	Hinde & Dauch	....	3½	..	..	..
x120	120	.	...	Holt, Renfrew	....	..	..	..	..
x96½	90	7	...	Do. pref.	....	..	..	..	..
7	7	.	...	Honey Dew	....	7	..	..	..
59	50	7	12.9	Do. pref.	....	54	..	..	..
6	3	.	...	H. Smith Pap.	25	4	4	4	4
45½	30	.	...	Do. pref.	....	38	..	..	..
20	15	2	12.5	Humberstone S	....	16	..	..	..
23½	17	1.40+50	10.5	Hunt (A)	....	18	..	..	..
23½	19	1.40+50	8.1	Do. (B)	....	23½	..	..	..
150	146	8	5.5	Huron & E. M.	10	146	146	146	146
29½	28½	.	...	Do. 20% pd.	....	28½	..	..	..
29⅛	16½	1.40	6.8	Hydro Electric	....	20½	..	..	..
225	201	12+1	6.2	Imperial Bk.	71	207	208	206	206
18½	9½	50+50c	8.2	Imperial Oil	4020	12	12½	12	12½
10½	9	35+20c	5.8	Imperial Tob.	393	9½	9½	9½	9½
29	22	2a	...	Int. Hyd. E. A.	....	22	..	..	..
103	92	7	7.3	Inter. Mill. pf.	....	95½	..	..	..
80	80	6	7.5	Do. Series A	15	80	80	80	80
20½	9½	40c	3.13	Inter. Nickel	11594	12½	12½	12½	12½
10	5	.	...	Inter. Paints	....	5	..	..	..
b10½	4	.	...	Int. P. & Pr.A	....	4½	..	..	..
b6	2½	.	...	Do. (B)	....	3½	..	..	..
b4½	1½	.	...	Do. (C)	600	2½	2½	2½	2½
b43½	18½	.	...	Do. pref.	1400	20⅝	21	20½	20½
15½	8½	1	8.2	Inter. Pete.	1922	12½	12⅝	12	12½
8	5½	.	...	Inter. Power	....	5½	..	..	..
73	60	7	10.4	Do. pref.	81	68	67	62	62
45	31	3.50	10.1	Int. Util. (A)	150	33	35	34	34½
11	5½	.	...	Do. (B)	135	7½	7½	7	7
40	40	1	2.5	Jam. Pub. Ser.	....	40	..	..	..
109	103	7	6.8	Do. pref.	....	103	..	..	..
5	2½	.	...	Kelvinator	100	4½	4½	4½	4½
81	73½	7	8.6	Do. pref.	....	81	..	..	..
x40	40	.	...	King Ed. Hotel	....	..	..	..	..
24	7½	.	...	Lake of Woods	120	9	7½	7½	7½
101	82	7	8.5	Do. pref.	....	82	..	..	..
140	140	8	5.7	Landed Bank.	....	140	..	..	..
46	33	3	7.5	Laura Secord	15	40	40	40	40
16	9	1	10	Lindsay, C. W.	....	10	..	..	..
72½	65	6.50	9.7	Do. pref.	....	67	..	..	..
14½	11	80c	6.7	Loblaw (A)	729	11½	12	11½	11½
14½	10	80c	6.9	Do. (B)	75	11½	11½	11	11½
x2½	2½	.	...	Loew's, London	....	..	..	..	..
25	10	.	...	MacKin. Steel	....	20	..	..	..
95	92	7	7.6	Do. pref.	....	92	..	..	..
x36	20	.	...	Manitoba Pr.	....	..	..	..	..
8	6	.	...	Maple Leaf	....	6	..	..	..
40	15	.	...	Do. pref.	....	18	..	..	..
32	30	.	...	Marcus Loew's	....	30	..	..	..
71	70	7	9.8	Do. pref.	10	70	71	70	70
10½	3¾	.	...	Massey-Harris	625	4½	4	4	4½
22½	9½	60c	5	McColl Fron.	550	11½	12½	11⅞	12
80	69½	6	7.8	Do. pref.	....	76½	..	..	..
45	35	.	...	Mexican L. & P.	....	35	..	..	..
x25	25	.	...	Mercury Mills	....	..	..	..	..
x89	58½	.	...	Do. pref.	....	..	..	..	..
40½	40	1	2.5	Mitchell, J. S.	....	40	..	..	..
105	105	7	6.7	Do. pref.	....	105	..	..	..
20	13	1	7.7	Mitchell, Robt.	....	13	..	..	..
1	1	.	...	Monarch Knit.	....	1	..	..	..
38	38	.	...	Do. pref.	....	38	..	..	..
95½	83½	6	6.4	Montreal Cot.	....	93	..	..	..
100	98	7	7	Do. pref.	140	100	100	100	100
3½	3	.	...	Montreal Exhib	....	3	..	..	..
20	15½	.	...	Mont. Is. Pr.	....	16	..	..	..
68½	38½	1.50	3.2	Mont. L. & Pr.	15382	45	48½	45	46½
49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
60	48	3.20	6.1	Montreal Tele.	....	52	..	..	..
177	150	10	6.4	Mont. Trams.	....	155	..	..	..
17½	11½	1	6.7	Moore Corp., c.	40	14	15	15	15
108½	98	7	6.9	Do. (A)	5	98½	101	101	101
126	103½	7	6.2	Do. (B)	20	112	112	110	110
x10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
x49	49	1	...	Do. pref.	....	..	..	..	..
3½	2	30c	15	Muirheads	10	2	2	2	2
10	6	75c	7.5	Do. pref.	....	9½	..	..	..
35½	24	1.60	5.9	Nat. Brew.	308	26½	27½	26½	27
35	27	1.75	5	Do. pref.	62	32	35	31	31
x10	3	.	...	Nat. Brick	....	..	..	..	..
19	5	.	...	Do. pref.	....	5	..	..	..
.50	.25	.	...	Nat. Distiller.	....	40	..	..	..
42	17½	2	11.1	Nat. Steel Car	180	18	18½	17½	18
360	255	14	5.5	National Trust	....	255	..	..	..
13	10½	1.50	14.1	Niag. W. Weav	25	11	10½	10½	10½
36	32	3	9.4	Do. pref.	425	35	34	32	32
x90	89½	.	...	Nor. Mex. Pr.	....	..	..	..	..
70	70	7	10	Do. pref.	....	70	..	..	..
6.00	2.00	.	...	North Star Oil	....	2.50	..	..	..
4.95	4.50	35c	7.4	Do. pref.	....	4.70	..	..	..
x25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
285	125	8	4.2	Ogilvie Flour	130	190	196	190	190
130	116½	7	5.9	Do. pref.	105	118½	118	116½	117
21	14½	6	4	Ont. Eq. 10%p	22	15	15	14½	15
119	113	6	5	Ontario Loan	....	119	..	..	..
7	5	.	...	Ont. Silknit	....	7	..	..	..
16	13	80c	6.1	Ont. Steel	....	13	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
1½	1	.	...	Orange Crush	....	1	..	..	..
60	50	7	13.4	Do. (A)	10	52	52	52	52
5½	2½	.	...	Do. (B)	30	3	2½	2½	2½
110	90	6	5.6	Ott. L. H. & Pr	....	107	..	..	..
105	102	6.50	6.3	Do. pref.	....	103½	..	..	..
25	25	.	...	Ott. Traction	....	25	..	..	..
92⅞	68	5	6.3	Page Hersey	90	80	80	79	79
49	25	2.50	10	Paramount	....	25	..	..	..
35	34	.	...	Paton Mfg.	....	35	..	..	..
94	82	7	7.4	Do. pref.	....	94	..	..	..
½	¼	.	...	Pelissiers	....	⅜	..	..	..
30	25	.	...	Do. pref.	....	30	..	..	..
73	33	4	11.4	Penmans	100	33	33	35	35
101	93	6	6.4	Do. pref.	....	93	..	..	..
.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
29	18	2	8.5	Photo Eng.	70	24	23½	23	23
40	10	.	...	Port Alfred pf.	....	10	..	..	..
70	64	7	10	Porto Rico pf.	....	70	..	..	..
b39½	18	.	...	Postal Teleg.	....	..	..	..	..
63½	39½	2	4.5	Power Corp.	635	43	44½	44	44
102	95	6	6.1	Do. pref.	14	98	99	98	99
4½	3	.	...	Prairie C. Oil.	....	3	..	..	..
16	8½	50c	5.5	Pressed Metals	....	9	..	..	..
42¾	29½	2	6.4	Price Bros.	5	31	31	31	31
99	83¾	6.50	7.7	Do. pref.	5	85	84⅞	84⅞	84⅞
49	31½	2.50	7.6	Quebec Power	420	33½	34	32	32
110	105	7	6.7	Real Estate Ln.	....	105	..	..	..
3	1	.	...	Regent Knit.	5	1½	2	2	2
10	5½	.	...	Reliance Grain	....	7	..	..	..
16	9	2	15.4	River S. Mills.	50	14½	13	13	13
19½	11	1.50	10.7	Robinson Cone	....	14	..	..	..
16½	10	1.20	11.7	Rogers Majes.	....	10½	..	..	..
291	235	12+2	5.8	Royal Bank	476	240½	240½	240	240
84	75	7	9.3	Ruddy, E. L. p.	....	75	..	..	..
77¾	64½	4	6.2	Russell Motor	10	65½	64¾	64¾	64¾
95	82	7	8.5	Do. pref.	....	82	..	..	..
7	7	.	...	Sarnia Br. (A)	....	7	..	..	..
x12	5	.	...	Do. (B)	....	..	..	..	..
36¾	9½	1.60	14.2	Serv. Stn. Eq.	160	11½	11½	11	11
90½	54	6	8.4	Do. pref.	....	71	..	..	..
59½	34¾	2.50	6.1	Shawinigan	2660	41	42½	40½	40½
30	21	1.60	6.4	Sher.-Wms.	....	25	..	..	..
121	117	7	5.9	Do. pref.	....	119	..	..	..
22	14	2.50	13.9	Simon & Son	60	18	18	17	18
92	88½	7	7.6	Do. pref.	....	91½	..	..	..
92½	73	6.50	8.1	Simpsons Ltd.	37	80	80	80	80
44½	40	2	5	Do. (A)	....	40	..	..	..
35½	24½	.	...	Do. (B)	....	29	..	..	..
108	103	6	5.6	Simpson, Robt.	3	106½	106½	106½	106½
4	1	.	...	St. Law. Corp.	160	1½	1½	1½	1½
12	2½	.	...	Do. (A)	175	4	4½	4	4
20	16	.	...	St. Law. Flour	....	16	..	..	..
85	82	7	8.2	Do. pref.	....	85	..	..	..
30⅛	10	.	...	St. Law. Pap. p	80	11	11	11	11
30	4	.	...	St. Maur. V. p	....	4	..	..	..
32	22¾	1	3.3	So. Can. Pr.	35	30	30	29½	29½
106½	104½	6	5.7	Do. pref.	82	105½	106	105	105½
16⅛	5	.	...	St. Pav. & Mat.	115	5⅛	6	5¾	6
80	66½	7	7	Do. pref.	3	70	70	70	70
1	1	.	...	Stanfords	....	1	..	..	..
15	7	1	...	Stand. Chem.	....	7	..	..	..
9¾	3¾	.	...	Stand. Steel	....	4	..	..	..
35	30	3	10	Do. pref.	....	30	..	..	..
42½	24½	1.75	6.2	Steel of Can.	343	27	29½	28	28
37	28¾	1.75	5.3	Do. pref.	165	33	33	33	33
4½	2⅛	.	...	Sterling Coal	....	2⅛	..	..	..
32½	12½	1	5.9	Sup. Pet. Ord.	12	17⅛	17	17	17
105	94	7	7.2	Do. pref.	....	95	..	..	..
31	14	1	5.9	Do. com.	....	17	..	..	..
49	41	.	...	Tamblyn	....	49	..	..	..
105½	101	7	6.6	Do. pref.	....	105½	..	..	..
30	20	3.50	15.9	Thayers, pref.	....	22	..	..	..
16	6½	.	...	Tip Top Tailors	75	7¾	8	8	8
90	77	7	8.3	Do. pref.	20	82	84	82	84
22	10	.	...	Tooke Bros.	....	10	..	..	..
67	50	7	14	Do. pref.	....	50	..	..	..
15	9½	.	...	Tor. Elevators	175	11½	11½	11	11½
235	210	12	5.4	Tor. Gen. Tr.	....	221	..	..	..
115	108	6	5.4	Toronto Mtge.	10	111	110	110	110
3	1½	.	...	Traymore	10	1½	1½	1½	1½
12½	9¾	1.40	14	Do. pref.	....	10	..	..	..
128	120	7	5.5	Tuckett Tob. p	2	128	128	128	128
17½	7	.	...	Twin City	....	8	..	..	..
b62	35½	7	...	Do. pref.	....	..	..	..	..
16	9¾	1	9.6	Union N. Gas.	72	10½	10½	10	10½
101½	98	7+1	8	Union Trust	....	100	..	..	..
8	3	.	...	United Fuel	....	3	..	..	..
65	24	4	13.3	Do. pref.	3	24	30	30	30
55	49⅝	2	4	United Secs.	....	50	..	..	..
24½	8½	.	...	Viau Biscuit	35	13	13	13	13
85	75	7	9.3	Do. pref.	....	75	..	..	..
30	20	.	...	Wabasso Cot.	....	20	..	..	..
8⅝	4½	50c	10	Walker-Good.	1193	4⅞	5	4⅞	5
7¾	2	.	...	Waterloo Mfg.	65	4	3¾	3½	3¾
45	30	1	2.6	Weston	....	38½	..	..	..
90	80	7	8.7	Do. pref.	....	80	..	..	..
17½	7	.	...	West. Can. Fl.	20	8	8	8	8
96	80	6.50	7.9	Do. pref.	....	82	..	..	..
17	10	.	...	West. Grocers	....	10	..	..	..
55	45	7	15.5	Do. pref.	....	45	..	..	..
91	85	6.50	7.1	W. Steel Pr. p.	....	91	..	..	..
x9	9	.	...	Whittall Can	....	..	..	..	..
13	10	.	...	Windsor Hotel	....	12	..	..	..
73	71	6.50	9.1	Do. pref.	....	71	..	..	..
21½	10	.	...	Winnipeg Elec.	16	10	11	11	11
81½	53	7	12.9	Do. pref.	....	54	..	..	..
‡30	30	.	...	Woods Mfg.	....	..	..	..	..
40	36	.	...	Do. pref.	....	36	..	..	..
80	80	7	8.7	Wood, Alex, Jp	....	80	..	..	..
x2½	1½	.	...	Zimmerknit	....	..	..	..	..
7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of .005% monthly.
† Plus stock bonus.

Winnipeg Stock Exchange

August 4

	Bid	Ask
Beaver Fire	125	...
Beaver Lumber. c.	5	...
Do., pref.	...	100
Can. Amer. Tr. shs.	...	5.31
Can. Fire Ins.	...	85
Can. Indemnity	120	...
Crescent Creamery	89	...
Gt. West Life	430	490
Home Investment	50	...
Monarch Life	...	32
Nor. Can. Mtge. pf.	15	...
Nor. Can. Mtge. c.	½	...
Un. Gr. Growers	...	11
West Breweries	2	2½

Dividends Declared

Agnew-Surpass Shoe pfd.	$7	$1.75	Oct. 1	Sept. 15
Belding Corticelli pfd.	7%	1¾%	Sept. 15	Aug. 31
Bank Can. Nationale	10%	2½%	Sept. 1	Aug. 15
Bank of Montreal	12+2%	3%	Sept. 1	July 31
Borden Co.	$3	75c	Sept. 1	Aug. 15
Bank of Toronto	12+1%	3%	Sept. 1	Aug. 15
Brazilian Traction, ord.	...	25c	Sept. 1	July 31
Canadian Oil com.	$1	25c	Aug. 15	Aug. 1
Do., pref.	8%	2%	Oct. 1	Sept. 19
Canadian Hydro Elec. pfd.	6%	1½%	Sept. 1	Aug. 1
Canadian Bank of Commerce	12+1%	3%	Sept. 1	July 31
Can. Wire & Cable "A"	...	$1	Sept. 15	Aug. 31
Do.	...	$1	Dec. 15	Nov. 30
Do., "B"	$1.75	43¾c	Sept. 15	Aug. 31
Do., pref.	6½%	1⅝%	Sept. 15	Aug. 31
Canadian Car, ord.	$1.75	43c	Aug. 31	Aug. 15
Do., pref.	$1.75	43c	Oct. 10	Sept. 25
Can. Celanese, pref.	7%	1¾%	Sept. 30	Sept. 15
Can. Gen. Electric, com.	$4	$1	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Can. Northern Power, com.	80c	20c	Oct. 26	Sept. 30
Do., pref.	7%	1¾%	Oct. 15	Sept. 30
Can. Converters	4%	1%	Aug. 15	July 31
Can. Pr. & Pap. Invest. pfd.	5%	1¼%	Aug. 15	July 20
Cedars Rapid Mfg.	$3	75c	Aug. 15	July 31
Cons. Sand & Gravel pref.	7%	1¾%	Aug. 15	July 31
Cosmos Imperial pfd.	7%	1¾%	Aug. 15	July 31
Cities Service	30c	2½c+‡½%	Sept. 1	Aug. 15
Canada Vinegars	$1.60	40c	Sept. 1	Aug. 15
Crow's Nest Pass Coal	...	75c	Sept. 1	Aug. 8
Can. Pacific Railway	...	1¼%	Oct. 1	Sept. 1
Do., pref.	4%	2%	Oct. 1	Sept. 1
Distillers Corp.-Seagrams	$1	25c	Aug. 15	July 31
Dominion Bridge	$3	75c	Aug. 15	July 31
East Kootenay Power pfd.	7%	1¾%	Sept. 15	Aug. 31
Eastern Theatres, com.	$2	50c	Sept. 1	July 31
Ford Hotel, com.	...	50c	Oct. 31	....
For. Pr. Secs. pref.	6%	1½%	Aug. 15	July 31
Foundation Co.	$1	25c	Aug. 15	July 31
Gt. Brit. & Canada Inv. pref.	5%	2½%	Oct. 1	Sept. 19
Inter. Nickel, com.	40c	10c	Sept. 30	Aug. 31
Imperial Oil	50c	12½c	Sept. 1	Aug. 15
Inter. Milling 1st pfd.	7%	1¾%	Sept. 1	Aug. 20
Do., "A" pref.	6%	1½%	Sept. 1	Aug. 20
Kelvinator, pref.	7%	1¾%	Aug. 15	Aug. 5
Langley's Ltd. pfd.	7%	1¾%	Aug. 15	July 31
Lake of the Woods Mill. pfd.	7%	1¾%	Sept. 1	Aug. 15
C. W. Lindsay, com.	$1	25c	Sept. 1	Aug. 15
Do., pfd.	6½%	1⅝%	Sept. 1	Aug. 15
Loblaw Groceterias A & B	80c	20c	Sept. 1	Aug. 12
Legare, P. T., pref.	7%	1¾%	Sept. 1	Aug. 15
Laura Secord, com.	$3	75c	Sept. 1	Aug. 15
McColl Frontenac	60c	15c	Sept. 15	Aug. 15
McIntyre Mines	20%	5%	Sept. 1	Aug. 1
Montreal Loan & Mortgage	$3	75c	Sept. 15	Aug. 31
Nova Scotia L. & P. pfd.	6%	1½%	Sept. 1	Aug. 15
Northern Ont. Pwr. pfd.	6%	1½%	Oct. 26	Sept. 30
Do., com.	$2	50c	Oct. 26	Sept. 30
National Grocers 2nd pfd.	7%	1¾%	Oct. 1	Sept. 18
National Steel Car	$2	50c.	Oct. 1	Sept. 17
Ogilvie Flour Mills, pref.	7%	1¾%	Sept. 1	Aug. 20
Ontario Steel Products com.	80c	20c	Aug. 15	July 31
Do., pref.	7%	1¾%	Aug. 15	July 31
Power Corp. com.	$2	50c	Aug. 20	July 31
Do., pref.	6%	1½%	Oct. 15	Sept. 30
Do., non-cum. pref.	6%	75c	Oct. 15	Sept. 30
Penmans	$4	$1	Aug. 15	Aug. 5
Rolland Paper pref.	6%	1½%	Sept. 1	Aug. 15
Reliance Grain pfd.	6½%	1⅝%	Sept. 15	Aug. 31
Royal Bank of Can.	12+2%	3%	Sept. 1	July 31
H. Simon & Sons, com.	$2.50	62½c	Sept. 1	Aug. 20
Do., pref.	7%	1¾%	Sept. 1	Aug. 20
Southern Can. Pr. com.	$1	25c	Aug. 15	July 31
Do., pref.	6%	1½%	Oct. 15	Sept. 19
Standard Pav. & Mat. cum. pf.	7%	1¾%	Aug. 15	July 31
Standard Steel pref. "A"	$3	75c	Oct. 1	Sept. 15
Windsor Hotel, pref.	6½%	1⅝%	Sept. 1	Aug. 15

‡½ of 1% stock payment.

Active Current Bond Prices

August 10, 1931	Bid	Asked	Yield
Dominion of Canada 5½/33	104.	104.75	3.37
Dominion of Canada 5½/34	104.	104.75	3.95
Dominion of Canada 5/43	106.25	106.75	4.25
Dominion of Canada 4½/46	101.75	102.25	4.28
Dominion of Canada 4½/56	101.75	102.25	4.35
Dominion of Canada 4½/58	104.	104.50	4.22
C. N. R. (Dom. of Can. Guar.) 5/54	105.50	106.50	4.55
C. N. R. (Dom. of Can. Guar.) 4½/55	102.25	103.25	4.52
C. N. R. (Dom. of Can. Guar.) 4½/56	100.75	101.50	4.40
C. N. R. (Dom. of Can. Guar.) 5/69	106.	107.25	4.60
Province of Ontario 4½/44	99.25	100.25	4.45
Province of Ontario 5/48	105.25	106.75	4.40
Province of Ontario (Hydro) 4¾/70	103.	103.75	4.55
Province of Quebec 4½/56	100.	101.	4.42
Abitibi Power & Paper 5/53	53.25	54.25	9.75
Argentine Gov't. Ser. B 6/58	70.50	72.	8.00
Beauharncis Power 6/59	80.	85.	7.25
Bell Telephone Co. of Canada 1st, 5/57	106.50	107.50	4.55
Brazil, U. S. of, Ext. S. F. 6½/57	50.75	51.50	10.50
British Columbia Power 5/60	95.75	97.	5.20
British Columbia Power 5½/60	102.	103.50	5.25
British Columbia Telephone 5/60	101.	102.	4.85
Calgary Power 5/60	95.50	97.	5.20
Canada Brewing 5/42	102.	105.	4.40
Canada Cement 1st Mtge. S. F. 5½/47	98.50	100.50	5.45
Canada Gypsum Lime & Alabastine 5½/48	83.	90.	6.50
Canada Northern Power Corp. 5/53	90.50	93.	5.55
Canada Steamship Lines 1st & Gen. 6/41	45.	55.	12.00
C. P. R. Collateral Trust 5/54	103.	104.	4.60
C. P. R. Secured 4½/44 Notes	97.50	100.	4.50
Chile Republic Ext. S. F. 6/60	33.	35.50	...
Colombia Republic Ext. S. F. 6/61	53	53.25	...
Davies, Wm. 6/42	93.	97.	6.25
Dominion Canners 6/40	102.50	105.50	5.25
Dominion Square Corporation 6/48	78.	82.	7.90
Dominion Tar & Chemical 6/49	95.	99.	6.10
Dominion Textile 6/49	106.	108.	5.30
Duke Price Power 1st, 6/66	103.	105.	5.70
Eastern Dairies, Ltd., Conv. 6/49	98.	101.	5.90
Eaton, T. Realty, 5/49	94.50	97.	5.25
Famous Players 6/48	92.	98.	6.20
Federal Grain 6/49	70.	80.	8.10
Foreign Power Securities Corp. 6/49	83.	88.	7.10
Fraser Companies 6/50	25.	35.	15.00
Gatineau Power, 1st Mtge. 5/56	90.25	92.	5.60
Gatineau Power, S. F. Debs., 6/41	85.	90.	7.40
General Steel Wares 6/52	57.	63.	10.00
Howard Smith Paper Mills 5½/53	65.	70.	8.55
Harris Abattoir 6/47	98.	101.	5.90
Manitoba Power, 1st S. F. 5½/51	80.	85.	6.90
Maple Leaf Milling 5½/49	88.	93.	6.10
Massey-Harris, 1st Mtge. 5/47	60.	65.	7.50
MacLaren Quebec Power 5½/61	90.	93.	6.00
Montreal Coke, 1st S. F. 5½/47	102.	103.	5.20
Montreal Island Power 5½/57	99.50	100.50	5.45
Montreal Light, Heat & Power 5/51	104.50	106.	4.35
Montreal Tramways 1st, Coll. Trust 6/41	101.	102.	4.75
Montreal Tramways Gen. Ref. 4½/55	85.	87.50	5.45
Montreal Tramways 5/55	93.50	95.	5.35
Moodie, J. R. 6/48	97.	100.	6.00
Ogilvie Flour Mills 6/32	100.50	102.	4.60
Ontario Power Service 5½/50	81.	85.	6.90
Ottawa Valley Power 5½/70	99.50	101.	5.45
Power Corporation of Canada 4½/59	80.	85.	5.50
Price Bros. 1st S. F. Ser. "A" 6/43	92.	98.	6.25
Quebec Power 1st. Mtge. Coll. S. F. 5/68	101.	103.	4.80
Shawinigan Water & Power 4½/70	97.	98.50	3.60
Shawinigan Water & Power 5/70	104.	105.50	4.72
Simpsons 6/49	96.	100.	6.00
Southern Canada Power 1st, 5/55	102.50	103.50	4.75
United Securities Coll. Trust 5½/52	99.	101.	5.50
West Kootenay Power 5/56	100.	101.50	4.85
Windsor Hotel 6½/43	102.	104.50	5.90
Windsor Hotel 6/47	94.	98.	6.16
Winnipeg Electric 5/35	100.	101.50	4.55
Winnipeg Electric 6/54	86.	90.	6.83

Winnipeg Grain Prices

Week to August 11

Crop Year from Aug. 14 High	Low		Open Aug. 5	High for week	Low for week	Close Aug. 11
		Wheat				
.70¾	.51¾	Oct.	.53	.58⅛	.51¾	.56⅞
.67½	.52⅜	Dec.	.53¼	.58⅝	.52¼	.57¼
.61	.57¼	May	.57¾	.62½	.57¼	.61½
		Oats				
.31⅛	.26¼	Oct.	.27¾	.31¼	.26¼	.31
.33½	.25⅜	Dec.	.25⅞	.29¼	.25⅜	.29¼
.31¾	.28	May	.29⅛	.31¾	.28	.31⅛
		Barley				
.36⅜	.25¼	Oct.	.30¾	.32¼	.28⅛	.32¼
.37⅜	.29¼	Dec.	.31½	.33	.29¼	.32⅜
.36¼	.35½	May	....	.36¼	.35½	....
		Flax				
1.25¾	.95½	Oct.	1.10	1.16	1.00	1.10
1.27	1.00	Dec.	1.10	1.16	1.00	1.10
1.21	1.03	May	1.15	1.20	1.03	1.16
		Rye				
.40⅜	.28	Oct.	.30⅞	.32	.28	.31¼
.42	.29¾	Dec.	.32¼	.33⅜	.29¾	.32⅝
.37⅛	.32½	May	.37	.37⅛	.33½	.36½

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week of August 11

High to date†	Low		Close Aug. 4	High for week	Low for week	Close Aug. 11
		Wheat				
.70¼	.55⅞	Oct.	.57½	.61¼	.55⅞	.60
.70½	.57⅞	Dec.	.59½	.62¾	.57⅞	.61⅝

†Since trading opened March 3.

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited

August 11, 1931

Industrial Stocks:	Bid	Ask.
Acadia Sugar c.	.20	.40
Acadia Sugar pfd.	1.50	2.50
Allens Coll. pfd.	30.50	....
Allens Lond. pfd.	30.50	....
Andian Nat. Corp.	22.50	24.50
Brand.-Hend. c.	10.00	19.00
Brand.-Hend. pfd.	79.00	90.00
Brewing Corp. of Can. c.	.35	.65
Brewing Corp. of Can. pfd.	....	6.00
B.C. Pulp & Pap. com.	1.75	....
B.C. Pulp & Pap. 7% pfd.	....	51.00
Canada Biscuit pf.	....	9.50
Canada Crushed Stone pfd.	....	76.50
Can. Dom. Sugar com.	15.75	17.00
Can. Mach. c.	5.50	8.00
Can. Mach. 7% pfd.	20.50	30.00
Can. Pack. c.	13.50	16.50
Can. Pack. 7% pf.	94.00	....
Can. Starch pfd.	70.50	....
Can. Wire & Cable pfd. w.w.	94.00	100.00
Can. Industries c. "A"	113.00	133.00
Can. Industries c. "B"	....	130.00
Can. Industries 7% pfd.	122.00	129.00
Can. Westing.	55.00	62.00
Can. Investors c.	8.00	11.00
Chase, A. W., 8% pfd.	37.00	44.00
Cons. Oka Sand & Gravel pfd.	....	80.50
Copeland Flour 6% pfd.	....	15.50
Dom. Foundries & Steel pfd.	48.00	57.50
Dom. Foundries & Steel c.	5.00	8.75
Dom. Mfrs. pfd.	71.00	....
Dunlop Tire 7% pfd.	....	95.50
Eastern Car 6% pfd.	47.00	59.00
Edmonton Stock Yds. pfd. bonus	....	75.00
A. J. Freiman pfd.	61.00	....
Goderich Elev. & Transit	14.00	15.50
Greening Wire 7% pfd.	91.00	96.50
Guard. Realty pf.	50.50	....
Hard. Carp. pfd.	....	67.00
Inter-City Bak. c.	44.00	53.00
Internat. Propriet. "A"	28.00	31.00
Loew's London c.	.50	1.25
Loew's London 7% pfd.	1.25	2.75
Maritime Tel. & Tel. c.	13.75	16.00
Maritime Tel. & Tel. pfd.	12.50	14.25
Morrow Screw Nut 7% pfd.	94.00	....
Mt. Royal Htl. Scrip	....	2.00
Mt. Royal Htl. c.	2.00	5.00
Mt. Royal Htl. 6% pfd.	23.50	28.00
Nat. Grocers c.	.80	1.65
Nat. Grocers 2nd 7% pfd.	46.00	....
Para. Oshawa c.	10.00	....
Para. Oshawa pf.	30.00	....
Prov. Paper pfd.	....	80.00
Standard Clay Prod. c.	26.50	....
Standard Fuel pfd. bonus	72.50	80.25
Supertest Petrol. "B" pfd.	18.00	....
Toronto Brick pf.	69.00	....
Toronto Carp. c.	113.00	....
Toronto Carp. 8% pfd.	98.00	104.00
Toronto Elev. 7% pfd.	....	85.00
Toronto Hous. c.	25.00	35.00
Un. Amuse. "A"	19.00	26.00
Willards Choc. 8% pfd.	....	45.00

Insurance Stocks:	Bid	Ask.
Br. Amer. Assce.	42.50	....
Canada Life Ass.	625.00	....
Canada Nat. Fire	26.50	31.50
Can. Fire Ins.	75.00	85.00
Capital Life 20% pd.	....	21.50
Commercial Life 10% pd.	....	22.00
Confederation Life 20% pd.	245.00	290.00
Continental Life 20% pd.	70.50	....
Crown Life	....	257.00
Dominion Fire	110.00	130.00
Dom. of Canada General Ins.	218.00	237.00
Dom. Life 50% pd.	295.00	345.00
Excelsior Life 30% pd.	101.00	128.00
Fed. Fire 25% pd.	35.00	....
Fidelity Ins. of Canada	....	97.00
Great West Life	475.00	520.00
Guarantee Co. of N. A.	247.00	....
Halifax Fire	15.00	18.00
Imperial Life	398.00	450.00
Mfrs. Life	350.00	385.00
Monarch Life 10% pd.	29.00	35.00
Nat. Life 25% pd.	110.00	....
Sask. Life 10% pd.	11.00	20.50
Sovereign Life 25% pd.	28.50	34.00
Sun Life Assur.	1,100	1,225
Western Assur. c.	43.25	49.00
Western Life 20% pd.	10.00	....
Trust, Loan & Bank Stocks:		
Br. Mtg. & Tr.	170.00	....
Can. Gen. Invest. Trust 1st	28.00	34.00
2nd Can. Gen. Investments	7.00	8.75
Chartered Trust	100.00	110.00
Deb. & Sec. c.	....	30.00
Deb. & Sec. pfd.	60.00	66.00
Eastern Trust	170.00	185.00
Guelph & Ont. Inv. par $50	....	66.00
Lambton Loan & Savings	75.00	....
London & Western Trust	....	175.00
Midland Loan & Savings	15.50	....
Mtge. Disc. pfd.	3.25	8.25
Provincial Bank	119.00	129.00
Sec. Loan & Sav.	110.00	....
Sherbrooke Trust	113.00	....
Sterling Trust	86.00	....
Traders Fin. pfd.	....	80.00
Trusts & Guar.	77.00	85.00
Victoria Trust & Savings	170.00	180.00
Waterloo Trust & Savings	130.00	....
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	103.75	....
Calgary Pwr. pfd.	92.00	96.00
Can. Light & Pwr. c.	25.00	32.50
Can. Northern Pwr. pfd.	105.00	108.00
Can. West. Nat. Gas LH&P pfd.	80.00	86.00
Gt. Lakes Pwr. pfd.	80.00	92.00
N.B. Pwr. 1st pf.	61.00	....
N.B. Tel. c.	....	15.50
N.S. L&P c.	63.00	69.00
N.S. L&P pfd.	93.50	97.00
Ottawa LH&P 6½% pfd.	103.00	....
Power Corp. 6% pfd.	96.00	100.00
Recent London Quotations:		
Brewer Distillers	3s. 3d.	
Can. & For. Sec.	7s. 6d.	
Can. West. Lumber	1s. 9d.	
Hudson's Bay	23s. 1½d.	
Do., 5% pfd.	67s. 6d.	
Internat. Holdings	2¼	
Nfld. Pr. & Pap. deb. stk.	97½	
Trust & Loan of Can. (15s. pd.)	6s. 3d.	

Listed Bond Quotations

Week Ending August 10

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range 1931 High	Low
Abitibi, 1st mtge.	5	1953	...	...	...	...	78	49
Asbestos	5	1942	...	105	...	...	100	...
Asbestos, 1st mtge.	6	1941	...	†13	...	...	20	15
Do., gen. mtge.	6	1956	...	14	...	...	x41	25
Can. Cons. Rub.	6	1946	...	...	...	...	x102½	102½
Can. Cottons	5	1940	6.88	...	...	...	91	88
Can. Forgings	6	1942	6.00	†100	...	...	100	...
Can. Locomotive	6	1951	...	†62	...	...	x96	...
Can. Pr. (La. Ser.)	5½	1958	...	6½	6½	6	28½	5
Do. (Way Ser.)	5½	1958	...	7	...	...	28½	5
Can. S. S. deb.	5	1943	...	...	...	...	x98½	94
Cedars Rapids	5	1953	4.66	†105	...	...	105	101
Dom. Canners	6	1940	...	†103	...	...	x103	...
Dom. Coal	5	1940	5.18	99½	98¾	...	98¾	98½
McNish	6	1948	...	†2.25	2.25	...	3.25	2.00
Mex. L. & Pr.	5	1940	10.05	...	...	...	73½	70½
Mont. L. H. & Pr.	4½	1932	...	†100⅜	...	...	x100	98½
Mont. Tr. 1st mtge.	5	1941	4.86	†101½	101	...	101½	98½
Mont. Tr. "A"	5	1955	5.57	94½	92½	...	95½	91
Mont. Tr. G. & R. "B"	5	1955	5.51	†92½	...	...	95½	91½
Do. "C"	4½	1955	5.64	...	...	...	85	84
Do. "D"	5	1955	5.39	†92½	...	...	95½	91½
N. S. Steel	5	1959	9.28	...	...	...	62½	58
Ogilvie Flour "A"	6	1932	5.35	†100½	...	...	100⅝	100
Do. "B"	6	1932	...	†100½	...	...	x108	101
Do. "C"	6	1932	5.73	†100½	...	...	103	100
Ont. Steel	6	1943	...	106¾	...	...	...	...
Porto R. Pr.	5	1936	6.79	...	...	...	93	92
Steel of Can.	6	1940	5.08	†106¾	...	...	107½	106½
Wayagamack	6	1951	...	42	...	...	75	45
West. K. Pr.	6	1940	5.15	...	...	...	106	...
Winn. Elec.	5	1935	5.12	†99⅜	...	...	99½	98½
Toronto								
Canada Bread	6	1941	5.86	...	...	...	101½	101
Steel of Can.	6	1940	5.12	...	...	...	106½	...

xQuotations for 1930. None recorded in 1931 to date.
†Latest bid.

Dominion Govt. Bonds (Montreal)

War Loan	5	1931	...	100.40	.....	.....	101.70	100.00
Do.	5	1937	3.65	106.75	106.85	.....	108.15	104.00
Victory Loan	5½	1933	3.56	104.30	104.35	104.15	105.25	103.00
Do.	5½	1934	4.08	104.30	104.45	104.10	105.30	102.95
Do.	5½	1937	3.60	110.75	110.20	110.10	112.40	107.05
Do., refund	4½	1940	4.29	101.90	101.50	.....	102.30	99.55
Do., refund	5	1943	4.35	106.25	106.15	105.95	106.70	103.50
Do., refund	4½	1944	4.30	101.75	.....	.....	102.30	100.00
Do., refund	4½	1946	4.32	101.85	.....	.....	112.12	97.60
Do., renewal	5½	1932	3.62	102.60	.....	.....	103.35	101.60
Conversion Loan	4½	1956	4.35	102.00	101.85	.....	102.10	101.45
Do.	4½	1957	4.35	102.65	102.60	102.50	102.65	102.20
Do.	4½	1958	4.32	104.05	.....	.....	104.60	103.95
Do.	4½	1959	4.34	104.20	104.18	.....	104.75	104.10

Quotations in col. 4 for 1937, 1933, 1934, 1944, 1946, 1958, 1959 are the latest bid.

Active Provincial & Municipal Bonds

Quotations furnished by A. E. Ames & Co. Limited, Canada Permanent Bldg., Toronto, Ont.

Provinces	Rate	Actual Mat.	Next Int. Date	Price	Approx. Yield
Alberta	4½	1 Oct., 1958	1 Oct.	94.05	4.90
Alberta	5	1 July, 1943	1 Jan.	100.45	4.95
Alberta	6	1 Apr., 1936	1 Oct.	103.99	5.00
British Columbia	4½	1 Oct., 1953	1 Oct.	97.59	4.65
British Columbia	5	15 Jan., 1948	15 Jan.	103.42	4.70
British Columbia	6	15 Aug., 1941	15 Aug.	109.44	4.80
Manitoba	4	1 July, 1947	1 Jan.	90.62	4.85
Manitoba	5	2 June, 1959	2 Dec.	102.28	4.85
Manitoba	5	15 June, 1943	15 Dec.	102.34	4.75
New Brunswick	4½	1 June, 1948	1 Dec.	100.59	4.45
New Brunswick	4¾	15 June, 1936	15 Dec.	101.11	4.50
New Brunswick	6	1 Jan., 1936	1 Jan.	105.84	4.55
Nova Scotia	4½	15 Nov., 1948	15 Nov.	100.60	4.45
Nova Scotia	5	1 May, 1943	1 Nov.	104.60	4.50
Nova Scotia	6	1 Nov., 1936	1 Nov.	106.42	4.35
Ontario	4½	1 Sep., 1944	1 Sept.	100.98	4.40
Ontario	5	15 Oct., 1948	15 Oct.	106.50	4.45
Ontario	6	2 May, 1936	2 Nov.	107.00	4.42
P. E. I.	4	1 Apr., 1939	1 Oct.	96.67	4.50
P. E. I.	4½	1 Oct., 1944	1 Oct.	100.00	4.50
Quebec	4¼	1 May, 1961	1 Nov.	99.50	4.27
Saskatchewan	4½	1 Oct., 1944	1 Oct.	95.26	5.00
Saskatchewan	5	1 Oct., 1950	1 Oct.	100.00	5.00
Saskatchewan	6	1 Feb., 1936	1 Feb.	103.58	5.10
Cities					
Montreal	5	1 Sep., 1963	1 Sept.	107.55	4.55
Toronto	4½	1 Sep., 1954	1 Sept.	100.72	4.45
Vancouver	4	1 Aug., 1946	1 Feb.	93.04	4.65
Winnipeg	5	1 Mar., 1944	1 Sept.	101.86	4.80
Edmonton	5½	1 May, 1945	1 Oct.	103.38	5.15
Calgary	5	1 Jan., 1943	1 Jan.	99.57	5.05
Halifax	6	1 July, 1951	1 Jan.	114.62	4.85
Saint John	5	15 Dec., 1950	15 Dec.	103.80	4.70
Regina	4½	1 July, 1950	1 Jan.	94.32	5.00
Victoria	5	21 July, 1945	21 Jan.	101.51	4.85
Quebec	5	1 June, 1948	1 Dec.	104.68	4.60

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay Street, (First Floor) Toronto Elgin: 5101 (TEN LINES)

STEEL PRODUCTS EARNINGS BELOW STOCK PAYMENTS

But Working Capital Position of Company is Strong

Annual report of Ontario Steel Products Co. is in line with the forecast in The Financial Post of July 18. Net earnings from operations during the year were $50,247, as compared with $169,182 in the year to June 30, 1930, and $237,980 in the year to June 30, 1929. After allowance for depreciation, bond interest and sinking fund on bonds, there was a deficit for the year of $86,138. The company paid its preferred dividend and continued common dividends during the year although there was a reduction in the rate for the last three quarters. In addition a sum of $16,920 was set aside as an investment reserve. After allowing for these items the company's surplus account was impaired during the year by $190,204, as compared with an impairment of $17,790 for the year 1930 and $2,769 for the year 1929.

However, the company enters the new year with a substantial profit and loss surplus of $189,369 and with working capital well maintained.

Dispose of Shovel Plant

The president, W. Wallace Jones, and the managing director, W. T. Sampson, in their annual report, point out that business offering during the year was unsatisfactory and that while the last quarter showed some improvement over the corresponding quarter of 1930, prospects for the quarter ending September 30 next are still poor.

The company further reduced its total of first mortgage bonds outstanding and these now stand at $269,800.

The disposal of the shovel division of the company is reflected by a reduction in the fixed assets and depreciation reserve and by the appearance of the new assets entitled "investments in other companies." The shovel division was formerly known as the D. F. Jones Manufacturing Co., and was sold during the year to a new company now trading under the name of Jones Shovel Co., with head office at Gananoque. Ontario Steel Products hold a stock interest in the new company.

Property account stands at $1,482,652, as compared with $2,200,589 a year ago. On the other hand, depreciation account, which was $775,476 a year ago, now stands at $658,482.

The decline in depreciation account is due to the sale of the assets of the shovel division as depreciation at the same rate as last year has been provided for all the divisions still owned by the company.

Have Cut Expenses

Directors point out in their report that during the year drastic economies have been directed in all controllable expenses and all the plants have been maintained in the highest degree of efficiency.

The following tables compare the profit and loss account and the working capital account for the past few years. It will be noted that while there was a decline in working capital, the ratio of current assets to current liabilities has increased from 9.16 to one to 16.54 to one.

INCOME AND SURPLUS ACCOUNT
Years Ended June 30

	1931 $	1930 $	1929 $
Net earn. from oper.	50,247	169,182	237,980
Less: Deprec.	88,385	92,210	83,848
Bond int.	17,898	19,500	21,030
Sinking fund	30,102	28,500	26,970
Net profit	*86,138	28,972	106,132
Less appropriations:			
Pref. divds.	25,221	25,221	25,221
Com. divds.	61,905	82,541	83,680
Invest. res.	16,940	......	......
Surp. for year	*190,204	*78,790	*2,769
Add: Prev. surp.	384,320	464,206	464,063
Profit on sale of invest.	......	......	2,912
Less: Bonus for 1930	4,452	......	......
Add. inc. tax	295	1,096	......
Balance forward	189,369	384,320	464,206

*Deficit.

Working Capital

	1931 $	1930 $	1929 $
Current assets	665,682	915,303	1,116,451
Current liab.	40,232	95,046	142,931
Work. capital	625,450	820,257	973,520
Ratio	16.54—1	9.63—1	7.81—1

Bathurst Power and Paper New Product Put on Sale

From Our Own Correspondent

MONTREAL.—Bathurst Power and Paper Co. has made trial shipments of kraft fourdinier board—liner board for the outside of boxes and corrugated board for the inside—to Montreal, Toronto and London, Ont. According to Angus McLean, vice-president and general manager, the Bathurst mill is the only one in Canada making this product.

Crop Prospects

MAN. FREE PRESS REPORTS CEREALS IN POOR SHAPE

Heavy Losses Due to Wind, Drought and Heat—Rains Too Late

Crop conditions in the three prairie provinces are by no means satisfactory when judged by a resumé published by the Manitoba Free Press on August 8, based upon reports assembled from 342 correspondents in various locations throughout the crop area. The data so collected indicates that not only was there no general improvement in the condition of crops in the 20 days preceding the report, but in the majority of districts conditions had remained stationary or had deteriorated.

While only 29 points out of the 342 had no rain during the period indicated, in nearly every other instance the rain was preceded by intense heat and high wind and came too late to offset the damage then suffered by the grains and, in many cases, even fodder crops.

Hail damage has been heaviest in Alberta, but was apparently not intensely destructive at more than a few points. Grasshopper damage seems to be limited in all three provinces. Stem rust in Manitoba is apparently not very serious excepting in the Red River valley, and even there the "Reward" and "Durum" wheats are to some extent ahead of the rust.

One outstanding loss on the crop is represented by the acreage cut for feed or plowed down because it was worthless. This has been especially noticeable in the southwest corner of Manitoba, where, it is reported, no less than 3 per cent of the wheat acreage has been lost in this way, and in many parts of Saskatchewan where 53 out of 166 points report losses of between 72 and 82 per cent.

More rain was needed in 43 out of 83 points in Manitoba, in 95 out of 166 points in Saskatchewan, and in 37 out of 93 points in Alberta. In the latter province a number of districts reported an abundance of rain, and a few too much, while, in the north more especially, there was a general need of warm, dry weather, harvesting being delayed on account thereof, until probably the third week in August.

Cutting Next Week General on Prairies

From Our Own Correspondent

REGINA.—Some early crops have been cut and some fields for green feed but cutting is not general as yet in any district, according to telegraphic reports received over the week end by the Statistics Branch of the Saskatchewan Department of Agriculture. Several districts expect to start this week and it is likely that cutting will be general next week. Many districts received good rains during the past ten days, which were especially welcome in the central and southern portion of the province and also as a relief from the excessively hot weather which, several districts report, caused a serious setback to both grain and feed crops.

During the past ten days the weather has been mostly cool and in many districts in the south present moisture conditions appear to be the best of the season. It is generally too late, however, to materially benefit cereal crops but pastures and feed will improve if favorable weather follows. The grain crops in Central and South Central Saskatchewan vary from complete failure to the possibility of seed. In the north, they vary with generally fairly good prospects.

Traces of rust on the late crops in a few scattered areas are reported but it is not likely that damage from this source will be material. Several districts also report damage from sawfly, which appears to be more prevalent than usual. Livestock are in fair condition and pastures should improve as a result of the recent rains.

Southern Alberta Sees Large Decline in Crop

From Our Own Correspondent

LETHBRIDGE.—Southern Alberta is entering the harvest with only a fair crop in sight. Last year's crop aggregated better than 37,000,000 bushels, this season will likely see around 20,000,000 bushels of all grains harvested. Of this amount less than 2,000,000 bushels will be coarse grains as the great bulk of the cereal crop of this heavy grain growing area is wheat. The average yield this year as indicated by early out-turns at machines and observations made in the field is from 11 to 13 bushels to the acre.

The crop is spotty and difficult to forecast. The spring opened well but lack of rain and an unusual amount of hot, drying wind during the growing season seriously damaged the crop and cut down the yield. Late July and thus far in August the weather has been more favorable for in many districts copious showers have fallen and the temperature has been cool helping the fields to fill out. This factor may result in a pleasant surprise in some sections of the district when the crop is harvested.

Wheat of Fair Grade

Roughly half of the wheat marketed will come from the Aldersyde and Macleod subdivisions of the Lethbridge railway division of the C.P.R. These two subdivisions include such large shipping districts as Carmangay, Barons, Champion and Vulcan on the Aldersyde line, and Claresholm, Stavely and Cayley on the Macleod line. South and east of the city the crop is light and not a few fields will be cut for feed.

The grade should be good as the wheat is sound and free from frost and harvesting coming along early. But the farmers will need the top grade if they are to realize anything at all out of their grain. With wheat at a record low level—wagon load lots at local elevators are fetching around 30 cents a bushel—growers are decidedly gloomy and are at a loss to know the outcome. The Wheat Pool has released its members from their obligation to market through the pool leaving them to sell on an open market basis, which is the cause of real relief through the country; still the growers see little light on the horizon with wheat below the cost of production. The only bright spot right now is hogs and a lot of grain will be marketed in the form of pork. With table cream fetching only 19 cents a pound the dairy farmers are now feeling the severity of the slump.

A normal crop of sugar beets is in sight. This will help considerably in the irrigated districts. Growers are watering their fields and the roots are putting on weight. Approximately 1,200 acres of beets will be grown. It is yet too early to forecast the tonnage. Farmers are guaranteed $5.50 a ton for their beets this year in contrast with $7 a ton last year, but this cash will come in handy to pay urgent bills while the beet tops and pulp will be valuable in livestock feeding on the farm. The beet crop is proving a very valuable adjunct to agriculture in this region during the present crisis.

As might be expected, many rural institutions are beginning to feel the effects of the depression in agriculture. Schools are cutting staffs and salaries, some may be unable to open, municipalities are finding it difficult to collect taxes and business houses their store bills. Rural churches and lodges are pinched and the cities are getting little relief from unemployment in the harvest as the crop will be harvested largely with the combine and with a minimum of help. Not a few farm laborers have hired out at 50 cents to a dollar a day and board.

Harvesting Proceeds Throughout Ontario

Harvesting is now going forward in earnest in Ontario, and in some districts threshing is in full swing, according to the weekly crop report just issued by the Ontario Department of Agriculture. Wheat yields as high as 57 bushels per acre are reported from York County, with 50 in Essex and Haldimand, but the average crop appears to be around 35 to 40 bushels an acre.

Oat crop is fairly good in most parts, though lighter in weight and yield than last year due to hot weather in July, considerable rust being reported from some districts. The corn crop promises to be the best in years, growth in most counties being extremely satisfactory.

Harvesting of the tomato is well ahead, growers in Essex and Hastings generally reporting a better crop than last year, though a considerable amount of damage by worm has taken place in the latter. Pastures are said to be considerably improved after recent rains in many districts. Alfalfa crop is generally good, and harvesting of second growths is progressing.

Manitoba Wheat Crop About Half of Last Year's

The acreage of wheat to be harvested in the province of Manitoba will not be very different from that of one year ago, but the yield will probably be down to about one-half of last year's crop, according to the report on conditions just issued by the Manitoba Department of Agriculture.

Barley is away down both in acreage and yield. Oats will be light, and rye acreages are negligible. In the Red River Valley there are some rather promising flax fields.

The generous rain which practically covered Manitoba at the beginning of the month was almost as welcome as the general rain which came five weeks ago. Both followed a period of hot weather, and fell upon parched soil. There has been an almost total absence of hail damage.

Harvest is well under way in the Red River Valley, and at least two threshing machines were at work near Gretna last Friday. There is the usual amount of variation in the maturity of crop in adjoining districts this season, but the whole harvest period will be a little earlier than average.

Rust is distributed over at least a part of the province, but its damage will be largely confined to the later crop. Grasshoppers are still exceedingly numerous and active, and, as they are hearty boarders, they have probably done considerably more actual damage than the reports of correspondents generally would suggest.

There is a good deal of summer-fallow under way and the amount of early harvest plowing already appearing in the southern portion of the Red River Valley is considerable.

Agriculturists to Speak to Commerce Chambers

It has just been announced from national headquarters of the Canadian Chamber of Commerce that J. E. Brownlee, Premier of Alberta, will be among the principal speakers at the Chamber's convention in Regina next month. Premier Brownlee will give an address on Canadian agriculture at the luncheon meeting of the first day. Preceding this luncheon, the entire morning will be given over to a discussion of agriculture, its problems and outlook, when G. A. Christie of Guelph and A. M. Shaw, Dean of Agriculture, University of Saskatchewan, will lead the discussions. In the afternoon W. C. Mills of Regina will be chairman of the round table conference on the same subject.

A second major topic will deal with "Industry, Labor and Employment." C. H. Carlisle, president of the Goodyear Tire and Rubber Co. of Canada Limited, Toronto, and A. O. Dawson, president of Canadian Cottons Limited, Montreal, will be leaders in the discussion, while a representative of labor will also participate to give the workers' point of view.

Natural resources and foreign trade occupy the two other major places on the Chamber's programme this year and outstanding business men have been invited to participate in the deliberations.

Preceding the convention, the Chamber is organizing a trip to Churchill, and Northern Saskatchewan and Manitoba in conjunction with the Canadian Pacific and Canadian National Railways.

Plan Potato Warehouse

Embodied in the reconstruction plans for the docks at West Saint John is a plan for the erection of a frost proof potato warehouse to handle potato shipments passing through the port this winter.

Canadian Quotations—Cont'd

Foreign Exchange

	New York Funds High (Premium)	New York Funds Low (Premium)	Last Year High (Discount)	Last Year Low (Discount)
August 5	9-32	7-32	5-32	5-32
August 6	5-16	1-4	9-64	5-32
August 7	5-16	17-64	1-8	9-64
August 8	21-64	5-16	1-8	9-64
August 10	23-64	21-64	1-8	9-64
August 11	23-64	11-32	1-8	1-8

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
August 5	4.84 7-8	3.92	5.22 7-8
August 6	4.86 15-16	3.91 11-16	5.23 7-8
August 7	4.85 1-16	3.91 11-16	5.22 3-4
August 8	4.85 1-8	3.91 9-16	5.22 7-8
August 10	4.85 1-2	3.91 13-16	5.22 7-8
August 11	4.85 1-2	3.91 13-16	5.22 7-8

FOREIGN EXCHANGE

Par		July 28	Aug. 4	Aug. 11
5.26	Italian	5.23	5.24	5.24½
23.80	German	23.60	23.84	23.83
13.90	Belgian	13.95½	13.98½	13.98½
49.80	Japanese	49.31	49.40	49.60

Mining Stock Quotations

Week Ending August 10

Par Val.	Range 1931 High	Range 1931 Low	Company	Sales	Close Aug. 3 (or last)	High for Week	Low for Week	Close Aug. 10
1	.23	.03	Abana	20,900	.05	.06	.04½	.05
1	.03	.01	Aconda	1,000	.02	.01½	.01½	.01½
1	.05½	.03½	Adrien	......	.04½	.....	.....	.....
No	.50	.12	Aldermac	......	.25	.....	.....	.....
1	.17	.12	Alexandria	31,500	.16	.17	.14	.15½
1	.05	.00½	Algonquin	18,000	.00½	.01	.00½	.01
1	.02½	.01	Amity C.	......	.01	.....	.....	.....
No	.45	.12	Amulet	10,800	.17	.18	.15½	.16
1	.02½	.01	Apex	145,450	.01½	.02	.01½	.01½
1	.05	.01	Area	1,000	.01½	.01½	.01½	.01½
1	.01	.00½	Argo. Cons.	......	.00½	.....	.....	.....
1	.08½	.01	Arno	23,800	.02½	.02½	.02½	.02½
1	.01½	.01½	Astoria	......	.01½	.....	.....	.....
1	.02	.00½	Atlas	......	.00½	.....	.....	.....
1	.07	.05½	Bagamac	......	.06½	.....	.....	.....
1	.02½	.01	Baldwin	1,000	.01	.01	.01	.01
1	.19½	.08	Barry Holl.	18,700	.11	.09½	.08	.08
No	1.45	.75	Base Metals	1,150	1.05	1.05	1.00	1.01
No	.04	.00½	Bathurst	3,800	.01½	.02	.01½	.01½
5	1.75	.60	B'Wana	......	.75	.....	.....	.....
1	.28	.26	Ben Nevis	......	.27	.....	.....	.....
No	.09½	.03½	Bidgood	750,550	.05½	.07½	.05½	.07½
1	.50	.18	Big Missouri	9,300	.24	.24	.21	.21
1	.05½	.04½	Blue Quartz	......	.04½	.....	.....	.....
1	.12	.02	Bobjo	13,500	.03	.03	.03	.03
No	.01	.00½	Boischatel	......	.00½	.....	.....	.....
1	.08	.01½	Brett Trethewey	......	.01½	.....	.....	.....
1	.03	.03	Brit. Canadian	......	.03	.....	.....	.....
No	.12	.02½	Brownlee	104,500	.03	.04	.03	.03
1	.02	.00½	Buckingham	......	.00½	.....	.....	.....
1	.08½	.02	Bunker Hill	3,500	.02½	.02½	.02½	.02½
No	.03	.01	Cal. Flin Flon	......	.01	.....	.....	.....
1	.02	.01	Cambro Kirk	......	.01½	.....	.....	.....
No	.05½	.02½	Canam Metals	......	.03	.....	.....	.....
1	.06½	.01½	Can. Kirk	......	.01½	.....	.....	.....
1	.02	.02	Can. Lorraine	1,000	.02	.02	.02	.02
1	.32½	.12	Canusa	600	.13	.13½	.13	.13
1	.04½	.00½	Capital R.	400	.01	.00½	.00½	.00½
1	.26½	.15	Castle Tre.	1,300	.15	.16	.15	.16
1	.23	.03	Cen. Manitoba	3,200	.12	.10½	.10	.10
1	.17	.07½	Cen. Patricia	3,600	.08	.09½	.07½	.08
1	.02	.01½	Champion R.	......	.02	.....	.....	.....
No	.59	.02	Chib. Pros.	2,500	.09	.09	.08	.08
No	.08	.02	Clericy	28,100	.02½	.02½	.02	.02½
5	10.50	2.50	Coast Copper	100	3.10	3.20	3.05	3.20
1	.05½	.01½	Cobalt Con.	......	.01½	.....	.....	.....
1	.02	.00½	Col. Kirkland	......	.01½	.....	.....	.....
1	.39	.05	Columario	25,200	.15	.16	.10	.10
5	.85	.50	Coniagas	......	.85	.....	.....	.....
5	.62	.25	Coniaurum	100	.25	.30	.30	.30
25	188.25	71.25	Cons. Smelters	864	92.00	95.00	90.00	90.50
1	.01	.00½	Corona	......	.01	.....	.....	.....
1	.02½	.00½	Crown Res.	......	.01	.....	.....	.....
	.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.17	.03	Dom. Explor.	10,100	.06½	.08	.07½	.08
1	.03	.00½	Dom. Kirk.	......	.00½	.....	.....	.....
No	13.40	9.00	Dome Mines	2,495	11.50	11.95	11.35	11.60
1	.01	.00½	Don Rouyn	......	.01	.....	.....	.....
No	.33	.30	Don. Woolsey	......	.30	.....	.....	.....
1	.01	.00½	Dunkin	......	.00½	.....	.....	.....
1	.02	.00½	Duprat	......	.01	.....	.....	.....
1	1.28	.20	Eldorado	41,100	.95	1.05	.96	.99
No	1.70	.75	Falconbridge	200	1.00	1.15	1.00	1.00
1	.08½	.02	Federal	3,500	.03½	.04	.03½	.03½
No	.01½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.30	.07	Gem Lake	5,400	.08	.08	.07½	.08
No	.04½	.02½	Gilbec	......	.04	.....	.....	.....
1	.08	.02½	Goldale	......	.03½	.....	.....	.....
10	.25	.15	Goldfield	......	.18½	.....	.....	.....
1	.01½	.00½	Gold Hill	......	.00½	.....	.....	.....
1	.11	.02½	Goodfish	......	.04	.....	.....	.....
1	.04	.00½	Graham	......	.01½	.....	.....	.....
No	2.30	1.25	Granada	26,375	1.75	1.72	1.30	1.35
1	.12	.06	Grozelle	5,000	.12	.12	.12	.12
	.30	.28	Helliwell	......	.28	.....	.....	.....
1	.03	.01	Harker	2,500	.01	.01	.01	.01
	.31	.31	Harvey	100	.....	.31	.31	.31
1	.08½	.07½	Hayden	......	.08	.....	.....	.....
1	.04½	.00½	Hilltop	116,000	.01½	.02½	.01½	.02½
5	8.70	5.70	Hollinger	2,850	6.20	6.10	6.00	6.00
1	.38	.20	Howey Gold	12,300	.32	.32	.30½	.32
No	6.30	3.25	Hudson Bay	315	3.80	4.00	3.75	3.75
No	.40	.30	Huronian	440	.31	.31	.31	.31
No	20.50	9.50	Int. Nickel	11,594	12.25	12.87	12.12	12.75
1	.03	.00½	Jackson M.	......	.00½	.....	.....	.....
1	.34	.23	Keeley	100	.23	.23	.23	.23
1	.04½	.00½	Keora M.	4,000	.01	.00½	.00½	.00½
1	.65	.27½	Kirk. Hud. Bay	6,600	.45	.65	.51	.65
1	.03	.01	Kirk. Hunton	500	.01	.01	.01	.01
1	.93	.54	Kirk. Lake	13,700	.60	.60	.55	.60
1	.08	.01	Kirk. Prem.	9,000	.02	.03	.02	.02½
1	.13½	.05½	Kirk. Townsite	14,000	.09	.11	.09	.11
20c	.02½	.00½	Koot. Flor.	500	.00½	.01	.01	.01
1	.02	.00½	La Rose	......	.01½	.....	.....	.....
	.69	.38	Lakeland	2,700	.44	.47	.42	.47
1	28.50	23.50	Lake Shore	955	26.25	27.00	26.05	26.50
1	.02	.01	Laval	......	.01	.....	.....	.....
1	.02	.01½	Lebel Oro	......	.02	.....	.....	.....
No	.35	.35	Locarno	......	.35	.....	.....	.....
1	.55	.10	Macassa	7,500	.35	.36	.35	.35
1	.12	.02	Malartic	1,000	.04	.05	.04	.04
No	.15	.06	Mandy	......	.06	.....	.....	.....
No	.06	.02	Man. Basin	20,500	.02½	.02½	.02	.02
1	.55	.20	McKinley	......	.30	.....	.....	.....
5	26.50	20.00	McIntyre	665	21.00	22.00	21.50	21.50
No	.33	.08	McLeod River	59,600	.16½	.20	.15½	.19
1	.04	.04	McVittie	......	.04	.....	.....	.....
1	.29	.06	MacMillan	3,000	.07	.06½	.06	.06
1	.01½	.00½	Millcrest	......	.01	.....	.....	.....
5	2.84	1.46	Mining Corp.	3,925	1.81	1.85	1.70	1.80
1	.18½	.01	Moffatt Hall	499,050	.12	.18½	.12	.16
1	.04	.02	Moneta	500	.03	.04	.04	.04
1	.00½	.00½	Mtl. Rouyn	......	.00½	.....	.....	.....
1	.63	.20	Moss	12,800	.32½	.32½	.25	.25
1	.09	.01	Murphy	13,500	.02½	.03	.02½	.02½
1	.07½	.02	Newbec	2,200	.04	.04	.03½	.03½
1	.40	.25	Nevada	......	.25	.....	.....	.....
1	.09	.02	Night Hawk	3,500	.03	.03	.03	.03
5	1.90	.80	Nipissing	1,900	1.00	1.10	.91	1.00
No	29.65	14.00	Noranda	7,685	18.10	18.30	17.00	17.95
1	.50	.25	Nor. Canada	100	.29	.29	.29	.29
No	.03	.00½	Old Colony	2,500	.00½	.00½	.00½	.00½
1	.01	.00½	Ophir	......	.00½	.....	.....	.....
1	.10½	.02½	Oriole	1,200	.02½	.04	.03	.04
1	.21	.07	Osisko	6,000	.10	.10	.09	.09
1	.25	.23	Parkhill	......	.23	.....	.....	.....
1	.15	.14	Patricia Dent	......	.14½	.....	.....	.....
1	.04	.01½	Pawnee Kirk.	2,000	.02½	.02½	.01½	.01½
No	1.61	.60	Pend Ore	200	.75	.70	.70	.70
1	.04½	.01	Pete. Cobalt	6,000	.01½	.01½	.01½	.01½
	.50	.10	Phy. Molybd.	......	.10	.....	.....	.....
1	.01½	.00½	Picard	......	.00½	.....	.....	.....
1	.12	.07	Pioneer	......	.11	.....	.....	.....
1	.02½	.00½	Porc. Crown	......	.00½	.....	.....	.....
1	.02	.00½	Potter Doal	6,000	.00½	.00½	.00½	.00½
1	.45	.36	Powell Ryn.	......	.36	.....	.....	.....
1	.99	.60	Prem. Gold	450	.62	.66	.60	.60
1	.02½	.00½	Preston E. Dome	......	.00½	.....	.....	.....
1	.25	.13	Quemont	500	.16½	.13	.13	.13
1	.05½	.00½	Ribago	86,900	.04	.04½	.03½	.04½
1	.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.15	.02	Ritchie	67,900	.02½	.04	.02½	.03
1	.04	.00½	R. Montbray	......	.01½	.....	.....	.....
1	.05	.04	Rubec	......	.04	.....	.....	.....
No	.25	.10	San Antonio	4,600	.15	.14½	.13	.14
1	.21	.15	Seven Troughs	......	.17	.....	.....	.....
1	1.25	.49	Sherritt G.	14,305	.62	.65	.57	.57
1	.55	.36	Siscoe	58,085	.47	.53½	.46	.52
1	.18	.02	So. Keora	1,000	.02½	.04	.04	.04
No	.05	.01½	Stadacona	55,600	.01½	.02	.01½	.01½
1	.30	.03½	St. Anthony	6,100	.10	.10½	.08	.08
No	.82	.35	Sud. Basin	500	.48	.41	.40	.40
1	.03	.01	Sud. Contact	3,000	.01½	.01½	.01½	.01½
1	.03½	.00½	Sudbury M.	......	.00½	.....	.....	.....
No	.04½	.01	Sudbury N.	......	.03	.....	.....	.....
1	.18	.09	Sullivan	1,500	.13½	.13½	.13½	.13½
1	1.14	.48	Sylvanite	12,150	.73	.74	.67	.67
1	.20½	.04	Tashota	8,500	.08	.08	.08	.08
1	8.65	6.00	Teck Hughes	18,970	6.40	7.00	6.00	6.30
1	.10½	.01	Telluride	3,000	.01½	.01½	.01½	.01½
1	.01½	.01½	Temiskaming	......	.01½	.....	.....	.....
1	.06½	.02½	Thom. Cad'c	......	.02½	.....	.....	.....
1	.02½	.00½	Tough Oakes	......	.01	.....	.....	.....
1	.63	.17	Towagmac	100	.30	.30	.30	.30
No	2.65	1.00	Treadwell	300	1.25	1.55	1.25	1.25
No	2.85	2.40	Tri-Metals	......	2.85	.....	.....	.....
	.15	.04½	United Kirk	1,500	.05	.05	.04½	.04½
	.03	.01	Vacuum Gas	6,000	.02½	.02½	.02½	.02½
No	.86	.35½	Ventures	6,250	.40	.41	.40	.41
1	.15	.01½	Vickers	......	.07	.....	.....	.....
1	1.22	.69	Vipond	6,850	.72	.72	.69	.70
No	2.00	.90	Waite Ack	100	1.10	1.10	1.10	1.10
1	.02½	.01	West Tree	......	.01	.....	.....	.....
1	.27	.05	White Lake	1,000	.08½	.08	.07½	.07½
1	.06	.02	Wiltsey	......	.02	.....	.....	.....
No	.01½	.00½	Windfall R.	......	.01	.....	.....	.....
	.13	.03½	Wood Kirk	2,000	.04	.05	.03½	.03½
No	3.18	1.85	Wright-Har.	19,080	2.75	2.90	2.65	2.90
1	.30	.16	Acme	12,600	.16	.17	.16	.16
No	.50	.50	Advance	......	.50	.....	.....	.....
1	.37½	.07	Alta. Pacific	2,680	.10	.09	.07	.08
1	.08	.07	Amalgamated	......	.08	.....	.....	.....
No	.25	.05	Associated	500	.08	.05	.05	.05
1	1.89	1.10	Ajax	1,600	1.20	1.24	1.20	1.20
No	.12	.02	Baltac	500	.03	.03	.03	.03
1	.07	.05	Black Dia.	......	.05	.....	.....	.....
1	.33½	.05	Brit. Dom.	720	.07	.07	.05	.05
1	.32	.01	Calmont	3,616	.05	.05	.04½	.05
No	.82	.26	Calgary & Ed.	150	.30	.30	.30	.30
1	.47	.11	Comm. Pete	3,100	.12	.12	.11	.12
No	.60	.16	Dalhousie	1,000	.20	.20	.17	.19
No	.08	.02	Devenish	......	.02	.....	.....	.....
No	.12	.01½	Dome Oil	3,000	.03	.02½	.01½	.01½
No	.69	.12	E. Crest	1,580	.14	.13	.12	.13
1	.05	.01	Fabyan Pete	5,000	.01	.01	.01	.01
No	.60	.20	Foothills	......	.25	.....	.....	.....
No	.18½	.04	Freehold	500	.04	.04	.04	.04
1	.02	.01	Great West	......	.02	.....	.....	.....
No	.17	.03	Hargal	495	.05	.05	.03	.03
No	.10	.03½	Herron Pete	......	.03½	.....	.....	.....
No	.07½	.02	High Sarcee	......	.02½	.....	.....	.....
No	2.00	.45	Home	275	.50	.50	.45	.46
No	.22	.02½	Homestead	1,000	.04½	.03	.02½	.02½
1	1.70	.59½	Homest'd O & G.	8,600	.59½	.80	.70	.70
1	.08½	.00½	Ill. Alberta	23,530	.00½	.00½	.00½	.00½
No	.70	.10½	Lowery	......	.20	.....	.....	.....
1	.05	.01½	Madison	3,100	.00½	.00½	.00½	.00½
1	.85	.20	Mayland	200	.20	.20	.20	.20
No	.11	.03	McD. Segur Ex.	......	.03	.....	.....	.....
1	.29	.03	McD. Segur N.	......	.03	.....	.....	.....
1	.72½	.25	McLeod	......	.29	.....	.....	.....
No	.39	.07½	Mercury	13,020	.09½	.10	.07½	.07½
No	.20	.06	Merland	2,600	.08	.08	.06	.08
1	.18	.08	Mid West	......	.10	.....	.....	.....
No	.38	.08	Mill City Pete	1,175	.10	.09	.08	.08
1	.49	.11	Model	250	.11½	.11	.11	.11
1	.18	.02	Monalta	100	.03	.02	.02	.02
1	.31	.07	Moose M.	......	.07	.....	.....	.....
1	.04	.00½	New Federal	350	.00½	.00½	.00½	.00½
No	.56	.15	Nordon	149,900	.19	.27	.19	.25½
No	.11	.02½	Oil Select	9,000	.04	.04½	.04½	.04½
No	.28	.04½	Okalta	975	.05	.05	.04½	.04½
100	27.00	5.00	Do., pref.	......	15.00	.....	.....	.....
No	.22	.05	Olga Gas & Oil	37,200	.18	.18½	.17½	.18
1	.37½	.20	Petrol	1,500	.22	.21	.20	.20
No	.28	.02	Penn. Pete	228,000	.03½	.06	.03½	.05½
No	.25	.06	Ranchmen's	100	.10	.06	.06	.06
1	.05	.01½	Regent	......	.01½	.....	.....	.....
No	.13	.02	Richfield	......	.02	.....	.....	.....
No	17.75	6.00	Royalite	235	7.00	6.25	6.00	6.00
1	.82	.30	Sarnia Oil	64,550	.35	.37½	.32	.35
1	.06½	.01	Signal Hill	100	.02½	.03	.03	.03
No	.27	.10	So. West Pete	......	.10	.....	.....	.....
1	.60	.12	Spooner	......	.13	.....	.....	.....
No	.19	.04½	Sterling Pac.	50	.09	.04½	.04½	.04½
	.15	.15	Turner Basin	......	.15	.....	.....	.....
1	.16	.12	Turner Valley	......	.12	.....	.....	.....
No	.31	.08	United	2,875	.10	.09	.08	.08
1	.15½	.08	Vulcan	2,005	.10	.09½	.09	.09
No	.05	.00½	Wainwell	6,500	.01	.01	.01	.01
1	.28	.08	Waite Valley	500	.08	.08½	.08½	.08½

WESTERN OIL STOCKS
VANCOUVER STOCK EXCHANGE
(Transactions for Week to August 5)

Par Val.	Range 1931 High	Range 1931 Low	Company	Sales	Close (or last)	High for Week	Low for Week	Close
25c	.01	.00½	Bayview	......	.00½	.....	.....	.....
25c	.07	.01	Beaver Silver	......	.04½	.....	.....	.....
25c	.02½	.00½	Bluebird	......	.01½	.....	.....	.....
25c	.70	.40	B. C. Silver	......	.40	.....	.....	.....
25c	.02	.00½	Cork Province	......	.01	.....	.....	.....
1	.20	.12	Cotton Belt	1,500	.15	.17	.17	.17
1	.04	.02	Dunwell	......	.02	.....	.....	.....
1	.10	.04	Duthie	600	.04	.04	.04	.04
1	.90	.40	George Copper	......	.43	.....	.....	.....
50c	.05	.01	Geo. Enterprise	......	.01	.....	.....	.....
1	.05	.01½	Georgia River	5,000	.01½	.02½	.02½	.02½
50c	.02½	.02½	Glacier	......	.02½	.....	.....	.....
10c	.01	.01	Gladstone	......	.01	.....	.....	.....
1	.45	.18	Golconda	800	.24½	.21	.21	.21
50c	.07½	.03	Grandview	1,600	.05	.04	.04	.04
No	27.50	17.50	Howe Sound	......	21.25	.....	.....	.....
1	.17½	.11	Intern. Coal	......	.12	.....	.....	.....
1	.01½	.01	Independence	......	.01	.....	.....	.....
1	.01½	.01	Indian Mines	3,000	.01½	.01½	.01½	.01½
1	.43	.24	Jack Waite	......	.32	.....	.....	.....
25c	.02	.00½	Kootenay King	......	.01	.....	.....	.....
25c	.00½	.00½	Lakeview	......	.00½	.....	.....	.....
25c	.02	.00½	L. & L.	......	.02	.....	.....	.....
1	.12½	.06	Lorne Gold	16,200	.06	.08½	.07	.07
1	.12	.12	Los. Ang. Van.	......	.12	.....	.....	.....
10c	.03½	.01½	Lucky Jim	......	.02	.....	.....	.....
2.50	.01	.00½	Marmot Gold	......	.01	.....	.....	.....
50c	.01	.00½	Marmot Metals	......	.00½	.....	.....	.....
25c	.00½	.00½	Mohawk	......	.00½	.....	.....	.....
1	.25	.14	Montana Mines	......	.17	.....	.....	.....
1	.05	.01½	Morton Woosley	......	.01½	.....	.....	.....
50c	.03½	.01	National Silver	......	.02	.....	.....	.....
50c	.09½	.04	Noble Five	19,000	.04½	.04½	.04	.04
50c	.12½	.03	Oregon Cop.	3,000	.03	.03	.03	.03
1	2.60	1.23	Pioneer Gold	10,900	2.30	2.50	2.25	2.35
No	.02	.00½	Premier Border	7,000	.00½	.00½	.00½	.00½
50c	.09	.04	Porter Idaho	......	.04½	.....	.....	.....
No	.55	.20	Reeves McD.	400	.25	.27	.27	.27
1	.28	.11	Reno Gold	1,500	.25	.22	.22	.22
1	.04	.02	Rufus Argenta	......	.02	.....	.....	.....
1	.07	.04	Ruth Hope	......	.4	.....	.....	.....
1	.05½	.04	Silverado	......	.05½	.....	.....	.....
25c	.03	.01½	Silver Crest	1,500	.01½	.01½	.01½	.01½
50c	.05	.01½	Snowflake	1,000	.02	.01½	.01½	.01½
1	.45	.30	Sunloch	......	.30	.....	.....	.....
50c	.01½	.01	Topley Rich	......	.01	.....	.....	.....
5	.20	.05	Toric	......	.05	.....	.....	.....
20c	.01	.01	Wellington	......	.01	.....	.....	.....
1	.05	.02	Whitewater	......	.02	.....	.....	.....
No	.03½	.00½	Woodbine	......	.00½	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	2.76	Premier	12c.	20.
Dome Mines	$1	8.63	Premier B.C.	6c.	....
Granby	$1	....	Royalite	50c.	....
Hollinger	65c.+5	11.66	Spooner Oils	6c.	....
Howe Sound	$2	....	Sylvanite	4c.	....
Inter. Nickel	40c	3.13	Teck Hughes	60c.	9.52
Lake Shore	$1.20+30	5.66	United Oils	5c.	....
McIntyre	$1	4.65	Wellington Oil	5c.	....
Mercury Oil	5c.	....	Wright-Har	10+2½c.	4.31
Model Oils	12c.	....			

a. Stock bonus 1 share for each 20 shares held.

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CLAIMS PAID U. S. & CANADA $2,600,000,000

Canadian Beneficiaries in 1930 Received $37,000,000

TORONTO, $11,138,300

Combined Grand Total Was 20 p. c. Heavier Than 1929

Life insurance policyholders and beneficiaries in Canada and Newfoundland received total payments of over $37,000,000 in 1930, according to final returns for the year prepared by The National Underwriter of the United States.

Total of payments for the United States and Canada combined aggregated $2,642,259,949, equivalent to $20 per capita. This showed an unusual gain of $444,777,375 over 1929, or 20 per cent, compared with a 6.75 per cent gain, which is about the normal, for that year. Of this huge grand total of life insurance payments $1,344,612,566 was paid out in death claims, matured endowments, annuities, disability claims and additional accidental death benefits. Payments for premium savings (dividends to policyholders) and for lapsed, surrendered and purchased policies amounted to $1,297,647,383.

Toronto was fifteenth on the combined list with payments totalling $11,128,300. Montreal, the second Canadian city in point of volume, paid out $7,090,500, with which it came twenty-seventh on the list, while the third largest amount paid in Canada was $3,121,500 by Winnipeg.

Not only do life insurance companies pay huge sums annually for death claims, but every year the payments on permanent disability and accidental death claims increase markedly. Double indemnity claims by United States and Canadian companies during last year totalled $25,240,561, compared with $20,334,090 in 1929, a gain of 24 per cent. Payments for permanent disability claims in 1930 amounted to $53,536,934, as compared with $34,213,602 in 1929, an increase of 56.4 per cent.

There were seven life insurance death claims in excess of $1,000,000 in the United States, while 23 payments were over half a million dollars. Including these, there were 714 claims in sums of over $30,000 paid by United States and Canadian insurance companies.

The largest amount paid on one life in 1930 was $4,690,000 paid to the estate of John W. Dorrance, Camden, N.J., president and founder of the Campbell Soup Co. The second largest payment was on the life of J. Frank Nutting, of New York, vice-president of F. W. Woolworth & Co., $1,590,000. The largest individual claim paid in Canada was on the life of W. J. Northgrave, former president of the City Dairy Co., Toronto, for $350,000.

Although the large life insurance death claims are more spectacular and attract more notice, 82 per cent of the large volume paid out by life insurance companies on death claims in 1930 went to the beneficiaries of the many small policyholders.

Toronto, alone, in Canada, together with 17 cities of the United States, paid claims aggregating more than $10,000,000. Twenty-seven cities in Canada and one in Newfoundland paid claims totalling $100,000 or over during 1930, these being as follows:

Toronto, Ont.	$11,128,300
Montreal, Que.	7,090,500
Winnipeg, Man.	3,121,500
Vancouver, B.C.	1,955,000
Ottawa, Ont.	1,180,000
Hamilton, Ont.	1,140,000
Quebec, P.Q.	975,000
Calgary, Alta.	796,600
Halifax, N.S.	681,000
London, Ont.	655,000
Edmonton, Alta.	535,000
Victoria, B.C.	508,000
Windsor, Ont.	399,000
Saint John, N.B.	375,500
Regina, Sask.	350,500
Saskatoon, Sask.	265,000
Belleville, Ont.	217,700
Moose Jaw, Sask.	195,600
Kitchener, Ont.	193,000
Brantford, Ont.	174,200
Charlottetown, P.E.I.	156,800
Guelph, Ont.	144,000
Stratford, Ont.	143,500
Kingston, Ont.	140,000
Sydney, N.S.	127,600
Sherbrooke, Que.	119,600
Niagara Falls, Ont.	106,500
St. John's, Nfld.	259,500

Privy Council Judgment Favoring Sun Life Co.

Full text of the judgment recently handed down by the Privy Council granting permission to the Sun Life Assurance Co. of Canada to increase its capital from $2,000,000 to $4,000,000 is published for the first time below.

The appeal was heard by Viscount Dunedin, Lord Hanworth, Lord Atkin, Lord Russell of Killowen and Lord MacMillan, judgment being delivered by Viscount Dunedin under date of July 23:

"This is an appeal from a judgment of the Supreme Court which, by majority, two judges dissenting, confirmed a judgment of the Judge in the Exchequer Court which confirmed a ruling made by the Superintendent of Insurance as to the authorized capital of the Sun Life Assurance Company, the appellants before this board. There was, at first, a question as to the jurisdiction of the Supreme Court to consider the judgment of the Exchequer Court judge, but that question was given up and the only question argued before this board has been on the merits of the case. It lies in a narrow compass and can be succinctly stated by setting out the sections of the statute on which it depends.

"The company was originally incorporated under the name of the Sun Insurance Company of Montreal by an Act of date 1865. The capital of the company was stated as two million dollars, with power to increase to a sum not exceeding four million dollars, as the majority of the stockholders, at a meeting expressly called for the purpose, should determine. The business of the company was to undertake all classes of insurance. Nothing was done under this Act, no capital was subscribed, and the 1870 amending Act was passed. By that Act the capital was (Section 1) stated to be one million dollars 'with power to the said company to increase the same, under the provisions of the said Act (i.e., the original Act of Incorporation of 1865), in sums of not less than one million of dollars, to a sum not exceeding four millions of dollars.' By section 3, the life and accident insurance business is to be maintained and prosecuted by the company as a distinct branch of its business. Section 4 provides that the capital of one million dollars should be applied solely to the 'Life Branch,' but 'may be increased under the terms of the Act of Incorporation to two million of dollars.' Section 6 provides that the company may transact general insurance business other than life and accident, and for those purposes capital of one million dollars may be raised with power to increase that capital to two millions. It is then provided that the two branches of business shall be kept quite separate, and finally, section 9 provides that the capital stock of the 'Life Branch' and 'General Branch' respectively shall be liable only for the losses incurred in each particular branch and entitled to the profits arising out of it.

"Nothing again was done under this Act, and finally an Act of 1871 was passed. By that Act the name of the Company was changed and sections 3 and 4 are as follows:—

"3. 'The powers of the said company are hereby restricted to life and accident insurance.

"4. 'All provisions of the Act of Incorporation of the said company, and of the Act amending the same which are inconsistent with the provisions of this Act, are hereby repealed.'

"The company, after this Act, began business. At first they only raised two millions, but in 1927 they passed a by-law raising an additional million of capital. The company has to deposit with the General Superintendent of Insurance an annual statement. This statement includes a statement of the authorized capital. The company stated their authorized capital as four millions. The superintendent deleted the figure 4 and inserted the figure 2. The sole question, therefore, is whether this alteration was warranted. The argument of the respondent which found favor with the majority in the Courts below was that by the Act of 1870, and especially section 4 thereof, the capital to be raised for life business could not exceed two million dollars, and that as there was nothing in this provision inconsistent with the statement in the Act of 1871 that the company's business was restricted to life and accident insurance, the said section 4 remained unrepealed and restricted the capital of the company to two million dollars. Their Lordships are of opinion that this view is not justified, because section 4 is not dealing with the fixing of capital, but solely with its application, the fixing of capital depending on section 1.

"Section 1 is quite plain. The capital of the company is to be one million dollars with power to increase it under the provisions of the original Act, that is, by meeting of shareholders as there expressed, to four millions. Then comes section 4, which provides that the original million is to be consecrated to life business only, but that consecrated sum may be increased to two millions; but the increase spoken of is the increase of such portion of the capital as is devoted solely to life business, the power to increase at all depending on section 1. Then follow sections which allow the application of further raised capital to general business, and the sections which provide for the complete independence of the two branches, the capital allotted to each branch being only liable for the losses in that branch. When the Act of 1871 was passed the whole idea of branches became inconsistent with the said Act because by it life and accident business became the only business of the company. The idea of capital applications and appropriations thereby disappeared; but there was no inconsistency with section 1 of 1870, which described the capital which could be raised as one million, with power to rise to four millions by increments of not less than one million at a time.

"For these reasons their Lordships, agreeing with the dissenting judges in the Courts below, will humbly advise His Majesty to reverse the judgments of the Supreme Court and the Exchequer Court and to remit to the former Court to direct the respondent to restore the figure of four millions in the return made by the appellants as the authorized capital of the company.

"The appellants must have their costs in both Courts below and before this Board."

Licenses Issued

The Department of Insurance at Ottawa has recently issued licenses:

North Empire Fire Insurance Company—Tornado insurance, in addition to classes for which already licensed.

Trans-Canada Insurance Company—Accident insurance, excluding liability for loss or damage from accident to employees, in addition to classes for which already licensed.

First Million-Dollar Policy

The first million-dollar policy to be written by the North American Life Assurance Co. was recently announced on the life of a prominent Toronto business man. The policy constitutes the largest risk yet entered into by the company.

Great West Expands in U.S.

The Great West Life Assurance Co. of Winnipeg has received a license to do business in the State of Washington, U.S.A., and will commence operations immediately. Great West now operates in five states of the Union, the others being Michigan, North Dakota, Illinois, and Minnesota.

Montreal Grain Shipments

The last day of July saw grain receipts at the Port of Montreal top the 50,000,000 bushel mark, for the season to date, with deliveries just a fraction below that figure.

Solving Life Insurance Queries

(A problem submitted by Mutual Relief Life Insurance Co. to its agents, and the best solution thereto, submitted by Frank B. Wilson, city manager for the company at Montreal.)

A manufacturer, 42 years old, married, has one son 12 years old, and one daughter of 10 affected by infantile paralysis, and never able to earn her living. His equity in his business about $40,000. He has a $2,000, 20-pay life, deferred dividend policy which will be paid up in 1932; a $10,000 life, deferred dividend policy, taken out in 1917. Average net income from the business about $8,000 per year.

"Taking into account the present values of his estate, if his family were forced to liquidate there would be:

Whole life	$10,000
20 Pay Life	2,000
Bonds	6,000
House equity on forced sale approximately	5,000
Business equity on forced sale approximately	18,000
Total of estate	$41,000

"I would suggest the following as a minimum insurance programme for the present, remembering that he is only 42, and might be in a position to strengthen his estate in the next ten or so years.

"I would suggest that he take out a $75 per month continuous income policy for his daughter, which would cost him $458.85. (At a later date he might increase this to $100 a month). Additional funds would be available for her from the division of the estate. Next, I would place a $10,000 select whole life policy, including total disability, which would cost $327.30. The total disability is added, since it seems as though he has not a continuous income for himself, in case of his becoming totally disabled. I would be inclined to put the total disability on his 1917 policy also, if it is not already there.

"The reasons for adding this select $10,000 would be $4,000 to cover the mortgage, $3,000 to cover his last costs, and death duties, and $3,000, which might be considered a special amount for his son's education in case of his death. I would recommend, if he should be alive when his boy is ready to attend college, that he might still retain this last-mentioned $3,000 active, and, if his income did not allow him to carry the load, use a part of the bond money to assure the boy of a good education. This would make his estate fairly safe, as he would, no doubt, tie up the capital with a trust company as executors, and arrange, after the death of the mother, to have same divided equally between the two children, or possibly allow, say at age 25, and at the discretion of the executors, the granting of certain bonds or considerations to the son out of his share of the estate, in order that he might get a good start in business.

"Assuming that the present mortgage costs are more than covered by the interest from the bonds, it would appear as though in round figures he would have to pay approximately $1,000 a year for insurance protection, which is slightly over 12 per cent."

Current Events in the Banking World

NO ACTION YET BY BRANCH BANKS TO QUIT MEXICO

Have Weathered Many Crises Over Long Period and Prospered

Although recent press reports state that runs on the Banco Nacional de Mexico and others have subsided and that the situation is well in hand, in other quarters the view is not so optimistic. One prominent banker in Mexico City predicts that sooner or later most foreign banks will find it expedient to discontinue their Mexican branches.

Enquiries at the head offices of leading Canadian banks, however, have elicited that at the present time no such move is contemplated, it being the general opinion that, while the present situation is an aggravated one, it is but another duplication of a series of crises that have continually been cropping up in Mexico and that have been successfully weathered. Further, taken over a long period, Canadian banks' business in that country has prospered.

The cause of the present commotion in the banking world arises from the fact that everybody is still demanding payment in gold, having made their deposits in gold. Banks, for their part, are demanding payment in gold on notes advanced on loans made in gold, but in many cases are being forced to accept silver in return.

The principal foreign banks conducting branches in Mexico are the Canadian Bank of Commerce, Bank of Montreal, National City Bank of New York, the Anglo-South American Bank, and Banco Germanico de la America del Sud.

Bank Chat

Imperial Bank of Canada announces the following appointments:

C. C. FAWCETT, formerly manager, Piapot, Sask., has been appointed manager, Grande Prairie, Alta.

A. McKENZIE, formerly manager, Redcliff, Alta., has been appointed manager, Piapot, Sask.

H. C. MacDONALD, formerly accountant, Brandon, Man., has been appointed manager, Redcliff, Alta.

R. H. JACKSON, formerly manager, Buffalo Gap, Sask., has been appointed accountant, Brandon Branch.

H. H. HAYES, formerly manager, Shamrock, Sask., has been appointed accountant, Wilkie, Sask.

J. F. STOBBE, formerly accountant, Wilkie, Sask., has been appointed accountant-in-charge, Hepburn, Sask.

L. L. MASON, formerly manager, Hepburn, has been appointed manager, Vantage, Sask.

A. J. RICHES, formerly accountant, Moose Jaw, Sask., has been appointed manager, Lewvan, Sask.

A. J. JOHNSON, formerly attached to the District Manager's office, Weyburn, Sask., has been appointed accountant, Moose Jaw, Sask.

A. MacMILLAN, formerly manager, Fielding, Sask., has been appointed manager, Griffin, Sask.

G. W. STERLING, formerly accountant, Saskatoon, Sask., has been appointed manager, Fielding, Sask.

The Canadian Bank of Commerce announces the following:

G. H. WINSTANLEY, formerly at Kindersley, Sask., has been appointed manager at Estevan, Sask.

H. D. AITKEN, formerly manager at Kamsack, Sask., has been appointed manager at Kindersley, Sask.

MONITOR, Alta., branch will be closed on August 15.

ELM CREEK, Man., sub-agency will be open for business on Mondays, Wednesdays and Fridays during the months of September to December, inclusive.

MOUNT DENNIS, Ont.—A branch will be opened here on August 4, under the management of J. G. WHITE.

The Canadian Bank of Commerce announces that their Douglas and Johnson, Victoria branch will be removed on the 17th inst. to a location at the corner of Douglas and Cormorant.

Weekly Bank Clearings

Eastern Cities	Aug. 7, 1930	Aug. 6, 1931
Halifax	$ 3,805,304	$ 3,486,527
Saint John	2,531,385	2,129,109
Moncton	1,062,482	877,153
Sherbrooke	974,414	746,483
Quebec	7,568,468	6,147,465
Ottawa	6,922,977	6,184,055
Montreal	122,898,086	105,845,949
Kingston	808,077	682,447
Peterboro	696,012	787,291
Toronto	90,802,355	80,609,902
Hamilton	5,338,618	4,897,991
Kitchener	1,113,568	921,524
Brantford	1,006,691	807,903
London	2,786,939	2,550,089
Chatham	653,268	360,696
Windsor	4,163,922	3,015,956
Sarnia	932,512	464,183
Sudbury	997,011	724,379

Western Cities	Aug. 7, 1930	Aug. 6, 1931
Fort William	$ 844,867	$ 688,100
Winnipeg	55,588,255	44,625,030
Brandon	631,557	468,275
Regina	5,266,953	6,113,160
Moose Jaw	1,017,233	666,358
Saskatoon	2,364,740	2,205,767
Prince Albert	588,342	416,514
Edmonton	5,159,480	4,637,396
Calgary	7,585,080	4,528,652
Medicine Hat	327,898	231,152
Lethbridge	555,697	421,912
Vancouver	22,815,449	19,373,438
N. Westminster	917,208	767,762
Victoria	2,822,766	2,034,429

Available Funds Increase June Bank Figures Show

Demand Deposits Rise $20,000,000—Current Loans Down $12,000,000—Government Security Holdings Create New Record

Continued easy credit conditions in Canada, despite a slight falling off in savings deposits, is noticeable from returns of Canadian charter banks as at June 31, released by the Minister of Finance at Ottawa this week.

The Financial Post index of bank credit, which is represented by the ratio of current and call loans to demand and savings deposits in Canada, decreased 1.3 per cent since the end of May to 63.8, which is 12.2 per cent below the corresponding figure for June, 1930.

Total deposits by the public were $14,658,230 higher than in May, demand deposits having more than offset the $6,000,000 decline in savings deposits by advancing $20,712,339. Call loans were down over $5,700,000 while current loans dropped nearly $12,000,000 below the previous month's figure. Money on deposit with foreign banks increased more than $25,000,000 during the month.

Call loans abroad made a recovery from the low record for fifteen years shown in May, being approximately $11,000,000 higher at $108,500,000. At this it is $87,000,000 below the figure for June, 1930.

Holdings of Government securities increased $7,450,000 to a new high figure of $461,611,619, this being the record in the history for Canadian bank statistics, and approximately $186,500,000 higher than March, 1930, when the lowest point was reached by this item for many years.

Details of the bank statement as analyzed by The Financial Post are as follows:

	June, 1931 $	May, 1931 $	Change $	June, 1930 $	Change $
ASSETS					
Immediately Available Liquid Resources					
Specie	70,161,646	67,981,619	+ 2,180,027	64,643,473	+ 5,518,173
Dom. notes	102,887,640	108,440,136	— 5,552,496	110,921,145	— 8,033,505
Gold reserves	27,730,866	29,130,866	— 1,400,000	46,330,866	— 18,600,000
For. banks	120,040,963	94,913,552	+ 25,127,411	105,352,344	+ 14,688,619
Foreign curr.	16,559,841	17,336,595	— 776,754	18,416,415	— 1,856,574
Govt. secs.	461,611,619	454,160,756	+ 7,450,863	294,115,588	+167,496,031
Call loans abr.	108,498,819	97,645,982	+ 10,852,837	195,766,775	— 87,267,956
	907,491,394	869,609,506	+ 37,881,888	835,546,606	+ 71,944,788
Loans and Securities Other Than Those of Canadian Government					
Public secs.	156,950,624	153,050,495	+ 3,900,129	96,877,427	+ 60,073,197
Rly. secs.	76,411,895	61,680,044	+ 14,731,851	53,145,480	+ 23,266,415
Can. call loans	181,643,728	187,374,589	— 5,730,861	239,416,104	— 57,772,376
Current loans	1,127,038,209	1,138,994,831	— 11,956,622	1,306,664,545	—179,626,336
Loans abroad	214,396,426	211,303,992	+ 3,092,434	243,577,027	— 29,180,601
Prov. & mun. loans	135,603,363	146,255,301	— 10,651,938	118,013,422	+ 17,589,941
	1,892,044,245	1,898,659,252	— 6,615,007	2,057,694,005	—165,649,760
Other Assets					
Non-curr. loans	9,016,483	9,058,541	— 42,058	7,961,293	+ 1,055,190
Real estate	6,220,303	6,181,145	+ 39,158	5,462,297	+ 758,006
Mortgages	6,321,880	6,338,601	— 16,721	6,902,121	— 580,241
Premises	78,811,002	78,674,571	+ 136,431	77,853,487	+ 957,515
Lets. of credit	73,049,615	76,449,819	— 3,400,204	91,051,899	— 18,002,284
Loans to comp.	14,666,963	14,525,672	+ 141,291	11,293,047	+ 3,373,916
Other assets	1,575,637	1,798,550	— 222,913	1,828,686	— 253,049
	189,661,883	193,026,899	— 3,365,016	202,352,830	— 12,690,947
Total	2,989,197,522	2,961,295,657	+ 27,901,865	3,095,593,441	—106,395,919
Note cir. dep.	6,986,035	6,804,008	+ 182,027	6,510,471	+ 475,564
Int. bank bal.	132,561,684	114,174,907	+ 18,386,777	193,671,120	— 61,109,436
Gross	3,128,745,241	3,082,274,572	+ 46,470,669	3,295,775,032	—167,029,791
LIABILITIES					
To the Public					
Circulation	142,558,937	143,749,692	— 1,190,755	165,953,624	— 23,394,687
Dom. govt.	26,756,296	33,427,883	— 6,671,587	65,385,511	— 38,629,215
Prov. govt.	43,902,254	20,067,893	+ 23,834,361	34,758,645	+ 9,143,609
Govt. advances	13,500,000	10,500,000	+ 3,000,000	49,700,000	— 36,200,000
Deposits by Public					
Demand dep.	600,747,340	580,035,001	+ 20,712,339	623,756,914	— 23,009,574
Savings dep.	1,450,356,954	1,456,411,063	— 6,045,109	1,410,297,492	+ 40,059,462
Total	2,051,104,294	2,036,446,064	+ 14,658,230	2,034,054,406	+ 17,049,888
Foreign dep.	355,929,759	338,121,323	+ 17,808,436	415,157,475	— 59,227,716
Due to Banks Abroad, Etc.					
Un. Kingdom.	5,845,878	4,856,096	+ 989,782	12,414,219	— 6,568,341
Foreign	71,671,220	75,438,621	— 3,767,401	64,082,708	+ 7,588,512
Bills payable	4,888,965	3,972,873	+ 916,092	13,674,206	— 8,785,241
Lets. of credit	73,049,615	76,449,819	— 3,400,204	91,051,899	— 18,002,284
Other liabs.	2,841,854	2,916,807	— 74,953	4,244,474	— 1,402,620
Public liab.	2,792,049,072	2,745,947,071	+ 46,102,001	2,950,477,167	—159,428,095
Due betw'n bks.	12,916,577	12,267,297	+ 649,280	17,556,833	— 4,640,256
Liability to Shareholders					
Dividends	788,162	3,518,642	— 2,730,480	781,430	+ 6,732
Reserve	162,000,000	162,000,000	....	160,789,112	+ 1,210,888
Capital	144,500,000	144,500,000	....	144,717,301	— 217,301
Gross	3,112,253,811	3,068,233,010	+ 44,020,801	3,274,321,843	—162,068,032
Credit index*	63.8%	65.1%	— 1.3%	76%	— 12.2%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Economic Need Today Is Long-Range Planning Of Foreign Investment

Stressing the need for orderly long-range planning in foreign investment, which is what has been lacking among nations since 1914, the Trade Forecast and Business Barometer published by the Federation of British Industries in London, England, states that many proposals for large-scale investment schemes as a remedy for present financial difficulties have failed to take into account certain vital elements which past experience has proven to be essential to their success.

"A careful study of the history of British foreign investment in the half century before the war," states the bulletin, "reveals the fact that, despite its apparently sporadic and haphazard character, it was in a considerable measure a carefully regulated process co-ordinated and organized to promote complementary development between Great Britain and her markets overseas." It scores the "highly abstract" economic doctrine which traces the ultimate source of Britain's more outstanding maladjustments to a lack of balance between the country's savings and investment, which doctrine, the report continues, "has been used to support proposals for elaborate schemes of artificially-fostered home investments, which it is alleged can be put into operation without preventing certain fundamental readjustment in our price and financial structure which past experience suggests are an essential condition to our successful participation in the next forward movement of international trade." It is pointed out that statistics suggest that the major industrial disturbances recorded in history have been due, not so much to a lack of balance between savings and investment as to the fact that money savings have been inadequate to meet the needs of a rapidly developing world, and that misdirected investment has been a more potent source of instability than under-investment.

Put shortly, the F. I. B. traces the world's present troubles to over development of that type of investment which ignores the existence of a process that may be termed "natural evolution," and incidentally, blames the U. S. A. for a misdirection of savings under the influence of a plethora of money, that country not being sufficiently experienced to replace Great Britain as a director of world development.

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Canadian Pulp and Paper Industry

Canada Paper Requests Holders of Preferred Approve Lease Change

Steps Taken to Cancel Lease Made With St. Maurice

H. SMITH CO. PARTY

Will Eliminate Heavy Advances Provided Lease Obligation Eliminated

From Our Own Correspondent

MONTREAL. — Canada Paper Co., common stock control of which is held by Howard Smith Paper Mills Ltd., is asking the preferred shareholders to approve of the cancellation of the lease of the business and undertaking of the company to St. Maurice Valley Corp. and of the sub-lease thereof to Howard Smith Paper Mills, as well as of an agreement executed between the interested parties providing for such cancellation.

Though it is not well-known to the investing public, Canada Paper is an important producer of wrapping, book and writing papers, paper boxes and bags, shipping tags, etc. The present company came into being in 1925 to acquire a business which had been in existence as far back as 1859. In December of 1926 the company was acquired by the St. Maurice Valley Corp., which purchased the entire common stock.

Assume Obligations

The lease, under which this deal was concluded, provided that St. Maurice would take care of the interest on the funded debt and dividends on the preferred stock. There is outstanding at the present time $1,763,000 of 6 per cent first mortgage bonds and $1,250,000 of 7 per cent cumulative preferred stock, and 20,000 shares of no par value common.

When St. Maurice Valley Corp. entered the Canada Power and Paper Corp. set-up, the new owners felt that inasmuch as special machinery would have to be set up for the marketing of Canada Paper's products, it would be better to dispose of their interest to a company better able to handle the enterprise.

Howard Smith Interested

A deal was arranged in July, 1929, retroactive to June 1, whereby for an exchange of securities on a share for share basis, Canada Power and Paper handed over 20,000 shares of Canada Paper to Howard Smith Paper Mills in return for 20,000 shares of the latter company's common stock. At the same time Howard Smith became sub-lessee of the property, though Canada Power and Paper through St. Maurice was still jointly responsible for the carrying out of the terms of the lease as the original lessee.

It is understood that the lease executed between Canada Paper and St. Maurice Valley called for certain obligations to be fulfilled which were contrary to certain items in the trust deed of the latter company.

There is an element of uncertainty on that point, but irrespective of whether or not the agreement was in conflict with the trust deed, the lessee and sub-lessee apparently acknowledged their liability by carrying out the terms of the lease, in meeting interest and dividend payments.

From the time of the taking over of Canada Paper, both St. Maurice and Howard Smith have found it necessary to make large advances to the company in order to bring its equipment up to date and to provide more adequate working capital.

To that end Howard Smith advanced $358,683 and St. Maurice Valley $2,053,499, making a total indebtedness of $2,412,183.

An arrangement was made on June 1, 1929, to convert the advances made by St. Maurice Valley Corp. into 20-year serial income debentures dated from June 1, 1932, the interest and sinking fund charges to rank after payment of the preferred dividend of the Canada Paper Co., and certain other charges. The amount of the indebtedness so funded was $1,665,855.

Dispute on Liability

Differences arose between St. Maurice Valley Corp. and Howard Smith Paper Mills in respect to the obligation in connection with the lease. Consequent upon this development, the preferred shareholders of Canada Paper were advised last March that the dividend had not been declared.

As no financial statement has been issued by Canada Paper, it is not possible to determine the earning power of the organization. In view of the depressed state of affairs in the paper industry, however, it is to be inferred that Canada Paper was not earning sufficient money to take care of its prior obligations, including the preferred dividend.

In view of developments surrounding Canada Power and Paper and St. Maurice, the lessee was not in a position to fulfill its obligations under the terms of the lease, so that liability devolved upon Howard Smith Paper Mills as sub-lessee.

Make New Agreement

For several months past negotiations have been going on with a view to straightening away the involved situation surrounding Canada Paper Co. An agreement has been entered into between the interested parties, subject to approval by the preferred shareholders, which has for its aim the doing away with the obligations and liabilities in respect to the lease and, at the same time, ridding the company of the indebtedness created through advances made by St. Maurice and Howard Smith.

Will Cancel Advances

In return for cancelling the lease, Howard Smith and St. Maurice Valley will cancel their advances, including the serial income debentures. Canada Paper Co. has coming due to it amounts totalling not more than $397,107 from Canada Power and Paper Corp. under the provisions of the agreement in respect of kraft paper manufactured by the latter. It is proposed that these amounts be credited to Canada Power, as a consideration for cancelling its advances to Canada Paper. At the same time Howard Smith assures responsibility for these amounts when they come due and will pay such sums to Canada Paper on or before the date they become due.

Essence of Deal

In essence the preferred shareholders of Canada Paper Co. are asked to approve of an agreement cancelling the obligations and liability of the lessee and sub-lessee. In return St. Maurice Valley and Howard Smith cancel advances of some $2,400,000 made to Canada Paper. Canada Paper credits Canada Power and Paper with a sum not exceeding $397,107, which sum will be met by Howard Smith.

Stand on Own Feet

The net result will be that Canada Paper Co. will be cleared of its indebtedness to St. Maurice Valley (Canada Power and Paper) and Howard Smith. It will have a substantial working capital, according to officials of the company, and future bond interest and preferred dividend payments will depend upon earnings of the company.

In this connection Harold Crabtree, president of the Canada Paper Co., says: "Granted this rearrangement of its affairs, your company will be in a position to resume dividend payments on its preferred shares within a reasonable time after return of normal business conditions."

The whole scheme of rearrangement, however, hinges on (first) approval of the preferred shareholders and (secondly) on the reorganization plan of Canada Power and Paper being completely and effectively carried out.

Belgo Committee Is Making Survey

From Our Own Correspondent

MONTREAL. — Special committee of the Belgo preferred shareholders, which is in opposition to the plan of reorganization for Canada Power and Paper Corp. as put forward by the Shareholders' Protective Committee, has issued a notice to the effect that the Committee's auditors, Price, Waterhouse and Co., are now examining the records and data used in formulating the plan of reorganization proposed by the Dunning Committee. It is expected that a report giving findings will be issued some time next week.

Belgo preferred shareholders claim the reorganization plan does not provide for an equitable distribution of the new securities and a special committee was formed to enquire of the committee as to how and why it appraised the value of one Belgo preferred at three shares of common stock in the new company.

RAILWAY BOARD REAFFIRMS RATE

Newsprint Tariff from Thorold to Chicago Favors C. N. R.

From Our Own Correspondent

MONTREAL.—The Board of Railway Commissioners has confirmed its order of last January in establishing 27½ cents as a "reasonable" rate for the transportation of newsprint by the Canadian National Railways between the plant of the Ontario Paper Co. at Thorold, Ont., and Chicago.

Eight months ago the board issued an order in this connection, but appeal was taken by the Ontario Paper Co. and the Chicago Tribune, which absorbs all the product of the Thorold mill.

Broke Own Agreement

The Canadian National Railways previously carried the newsprint on a special rate of 25 cents, this being arranged on the understanding that the railway would be used to make all deliveries for twelve months of the year and that no resort would be made in the summer time to waterborne transportation.

This latter provision, the railway contended, had been violated, and in view of that violation, the company asked that the rate of 27½ cents be enforced. The Commission concurred in the request.

MERSEY PAPER COVERS CHARGES FIRST FULL YEAR

Surplus in 1930 After Depreciation and Interest

From Our Own Correspondent

MONTREAL.—Consolidated report of Mersey Paper Co. for the year ended December 31, 1930, is in pleasing contrast with those statements published by other newsprint companies covering operations during the past calendar year.

In this, the first statement for a full twelve months, the company reports a gross profit of $852,921. A depreciation reserve of $240,000 was set up, leaving a balance of $612,921 available for interest on funded debt and other loans. After taking care of the latter item, there remained a net profit for the year of $172,701.

Working Capital Deficit

Assets of Mersey Paper at the end of 1930 totalled $14,159,924, of which amount $1,403,190 represented current assets. Current liabilities totalled $4,767,256, making for a working capital deficit of approximately $3,300,000.

Among current assets cash on hand and in banks is shown at $10,681; accounts receivable, $509,086; and mortgages receivable $750. Inventories of logs, pulp, finished paper, materials and supplies, including advances on logs purchased, totalled $882,672.

Plant and equipment, together with real estate, timber limits, ships, wharves, etc., are shown on the books at $12,700,224.

Deferred charges total $56,058 and cash on hand of trustee for bondholders $450.

Heavy Bank Loans

On the liability side of the balance sheet, bank loans are shown at $3,853,000, of which $853,000 was secured under Section 88 of the Bank Act and $3,000,000 secured by first mortgage bonds. Accounts and notes payable total $835,816, while accrued wages and interest amount to $78,439.

Mortgages on properties, including $1,000,000 on timber limits due January 1, 1931, and £46,434 in respect of T. S. S. Markland, totalled $1,229,978.

The funded debt of the company, represented by 6 per cent first mortgage bonds, amount to $2,000,000. The capital stock is divided into $5,000,000 of 6½ per cent cumulative preferred shares and 150,000 shares of no par value common stock. No dividends have been declared or paid on the former security, which carries cumulative dividends from July 1, 1930.

Reserve for depreciation is shown on the books at $240,000, while the profit and loss account balance amounts to $172,701.

DOMINION STEEL PLANT AT SYDNEY ON PARTIAL TIME

Rail Mill Fairly Active But Other Units Marking Time

From Our Own Correspondent

MONTREAL. — Further advices on the Sydney steel plant operations of Dominion Steel and Coal Corp., state that rolling started on the Canadian Pacific Railway's rail order in the last week of July. It is expected that the consignment of 6,500 tons will be completed and ready for shipment by August 20.

Immediately this business is finished, work will start on the South African order for 7,500 tons. Expectations are that the mill will be kept operating steadily on these two orders until the beginning of November.

The bar mill is operating practically on full time, and will carry on this schedule for a couple of weeks. Stock is being turned out for Nova Scotia Steel and Coal and other subsidiaries of the corporation.

Show at Other Plants

The rod mill is working on orders as they come in. The wire and nail mill, it is expected, will commence operations in the near future, production of which will be shipped to warehouses at the heads of the lakes before navigation closes.

The open-hearth furnaces, with two one-hundred ton and four fifty-ton furnaces operating, is producing at 66 per cent of capacity.

It is expected that in the fall rail orders will be placed by the Canadian National Railways, which will go a long way toward providing employment for a majority of the workers throughout the winter months.

Iron Mines Reopen

Announcement from St. John's, Nfld., is to the effect that three of the Wabana iron ore mines at Bell Island, which are owned by the Dominion Steel and Coal Corp., have resumed work on half-time basis for the present. Employment which affects over 1,000 men is a matter of vital importance to Newfoundland.

A few weeks ago it was announced that in view of the limited demand from export markets particularly Germany and that stocks on hand were abnormally large, operations at the mine would be discontinued for the balance of the season.

It is now the apparent intention to continue banking the ore, as there has been no change in the market situation.

Shipments Are Lower

It is now estimated that 1931 ore shipments from Wabana will amount to approximately 394,500 tons. Since June 19, when the mines closed, and the date of re-opening, a period when ore was shipped direct from the stock piles, a total tonnage of 146,600 was exported. The month of July saw the highest total shipped to Sydney since the beginning of the season, 57,985 tons going forward, as compared with 27,744 tons in June and 46,923 tons in May.

As at August 1, 1931, exports totalled 384,742 tons, which was distributed, as follows: to Germany, 233,170 tons; to Sydney, 128,652 tons; and to the United States, 22,920 tons.

Saint John Rebuilding

The Saint John Harbor Commissioners announce that the major portion of their facilities at West Saint John will be rebuilt, fully equipped and otherwise ready to handle expeditiously import and export traffic by December 1st. The new constructions will be modern in every way including steel sheds and the latest type of grain conveyors.

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Newsprint Group Face Period of Uncertainty

American Pulp and Paper Association Publish Comprehensive Review of Factors Affecting Immediate Outlook

From Our Own Correspondent

MONTREAL. — The newsprint paper industry in North America, according to a special survey prepared by the American Paper and Pulp Association, is expanded beyond its domestic needs and its overseas possibilities. It faces uncertainty. In neither the United States nor in Canada may the industry now operate at efficient volume, nor can immediate markets be found that are capable of absorbing the excess production.

Prices have declined, yet many companies find that costs tend to move slowly upward. But few companies are paying dividends on preferred stock; many have failed to meet bond interest and with few exceptions none are making returns on common stock. Moreover, American newsprint consumption gives evidence of more than a temporary cessation of increase.

No Time to Expand

The association points out that this is no time to expand paper-making facilities. It is a time for retrenchment. This the industry realizes; no new production facilities will be added this year, save one 80-ton machine by a small company which has long-time contracts.

Survey of Production

In 1930, 3,560,000 tons of the world's newsprint production of 6,985,000 tons were consumed in the United States. United States industry contributed 1,282,000 tons, or 36 per cent toward the domestic consumption; the balance was imported chiefly from Canada. Smaller tonnages were drawn from Newfoundland, Sweden and Finland. American imports from Canada and Newfoundland amounted to 2,145,000 or 60 per cent of its consumption in 1930; the imports from overseas, constituting less than 4 per cent of the consumption, amounting to 134,000 tons.

It is clear, says the association's survey, that the United States consumption is chiefly dependent upon North American production. Although nearly 40,000 tons greater in 1930 than in 1929, the overseas imports are quantitatively insignificant; they are, however, important in their influence upon prices.

United States Market

Although distributed among three separately constituted political units, the North American industry is essentially one industrial whole. It has one chief market—the United States. The same type of raw materials is converted by identical processes in the three countries.

United States industry is financed from domestic sources and 65 per cent or more of the capital invested in the Canadian industry is from the United States. No tariff barriers interfere with the free movement of the finished paper from producers to consumers; all are competitively accessible to the United States market. With these and other common factors the three units of the North American industry are bound together.

Capacity Ahead of Demand

Records show that the relationship between production and operating capacity has tended to spread since 1926. The greatest spread was in 1930 when the total north American industry operated at only 72 per cent of its realizable possibilities. The record for the first quarter of 1931 is even lower, averaging a new low at 68 per cent.

Ordinarily companies operating in the United States run at a slightly higher rate of capacity than those in Canada; but not always. The spread in either direction is small. It varies widely, however, between companies, dependent upon the size of the contracts they are able to obtain. The competition is wholly between companies; there is practically no national alignment in any country that ships to the United States.

Crisis Was Foreseen

Although the operations in the newsprint industry have reached low levels of capacity during the business depression, it is clearly evident that the condition had its beginning long before the 1929 down-turn in business. Nothing but an abnormal increase in demand could have prevented some form of recession.

Since 1890 the consumption of newsprint in the United States has mounted steadily, rising from a per capita consumption of 6 pounds to a record in 1929 of 62 pounds. The reasons for this increase are bound up with the growth of the newspapers in the United States and with the better organization and lower cost of newsprint manufacture.

Prior to 1913 the United States newsprint requirements were met chiefly by domestic manufacture. Centralized in the northeast and to a lesser extent in the lake states, the industry drew the bulk of its pulpwood from nearby forests. At that time only 20 per cent of the domestic production was made from Canadian wood.

Canada Enters Field

Canadian pulpwood became significant in the American industry in about 1895. Imports increased steadily until 1910 when a level of approximately 1,000,000 cords a year was established. About one quarter of the imports was used in the manufacture of newsprint paper. The Quebec embargo on the exportation of Crown Land wood in 1910 substantially restricted the pulpwood resources available to the United States industry, for at that time Quebec furnished the bulk of the pulpwood imports. Subsequently, the removal of the newsprint tariff completed the background for the development of a strong Canadian industry.

Because of its exacting wood requirements, the United States industry naturally concentrated in the most accessible spruce and fir forest regions in the northeast and the lake states. Both regions, however, had supported previously and successively the bulk of the lumber demand of the United States. Although these demands were centralized largely on pine, much spruce had been cut for lumber, particularly in New England. As a result the already limited supply of spruce and fir was soon controlled by operating mills and further expansion to keep abreast of consumption was forced to depend upon imported wood.

Canada to Fore

The Quebec embargo and the removal of the United States tariff combined with the ever-increasing consumption made necessary a geographical shift to new supplies of pulpwood. Canada was the logical choice. Here were not only vast areas of spruce and fir pulpwood, but also ample power resources capable of development at low cost.

Canadian production increased 150 per cent between 1913 and 1920, and 210 per cent between 1920 and 1930. In the 1920-1929 decade, Canada produced a total of 15,986,000 tons of newsprint of which 14,522,000 tons were exported, chiefly to the United States.

New Newspaper Trends

As already pointed out in the association's survey, the growth of the newspaper has been the primary cause for the marked expansion in the newsprint industry. This expansion, to some degree, was predicated upon the belief that continuous increase in demand was inevitable. From 1926 onward, however, changes took place in the consumption of newsprint. The yearly average of printed pages in American newspapers of 100,000 circulation and over, was 30 pages per issue in 1926, 1927 and 1928. It increased to an average of 32 pages in 1929, but in 1930, it dropped 3 pages to 29.

This is not particularly serious for there is little evidence that it will be permanent. But a somewhat different situation is shown in the Sunday issue trend. There has been a decrease from the 1926 yearly average of 111 pages to an average of 99 pages for 1930. This trend is distinctly downward; it is probably an indication of a permanent change which may account for a shrinkage in American consumption.

Factors Affecting Demand

Circulation, on the other hand, has tended to increase although not substantially.

Records of the yearly agate lines of advertising in the newspapers of 30 leading cities in the United States, show a decrease since 1928 when the all-time peak was established.

These changes in consumption, of course, have affected the tonnage of newsprint paper consumed by individual publishers. The breaks in the trend courses that occurred prior to 1929 are probably significant of permanent change; the 1930 break may mean only a temporary set-back co-incident with the reaction in business. Despite the conflicting evidence, however, it seems more than probable that the past upward sweep of the newsprint consumption trend in the United States will not continue but will tend to equal the trend of population increase.

The newspaper itself is being subjected to severe and new competition and the competition between the small and large sized papers is by no means ended.

Competition from South

In looking to the future of the newsprint industry, the American Paper and Pulp Association's survey makes reference to a situation of particular interest to the Canadian newsprint industry.

The report points out that the most likely sources of competition in the Eastern markets from the standpoint of pulpwood is the south. Although newsprint is not now manufactured in commercial quantities from southern pine, extensive research gives evidence of possibilities. With its low wood cost, the south could be a serious competitor to the existing industry if comparable paper can be manufactured.

It is clear, the survey states, that southern competition, if it does develop, will not be based upon depleted supplies in the north or in Canada, but upon the possibility of cheaper wood inherent in the excess of supply, cheap labor and low land values. Potential production in the south has the effect, therefore, of blocking price increases, which will undoubtedly deter further expansion in the north; and, furthermore, it may handicap mills in their progress toward sustained permanent operation.

Nova Scotia Pulpwood Taken by International

From Our Own Correspondent

MONTREAL.—Shipments of pulpwood are being made from Chatham to Portland, Me., by International Paper Co. The wood was rossed at the Chatham rossing mill. This plant, operated for many years by J. B. Snowball Co. was acquired when International purchased the Snowball properties in Chatham several years ago.

The rossing mill was late in opening this year. Just how long it will function has not been revealed, but existing indications are that operations will continue until part way through September.

Canadian Airways Create New Division

From Our Own Correspondent

MONTREAL. — Canadian Airways Ltd. announce the appointment of Major D. R. Maclaren to the position of assistant general manager. Major Maclaren will have charge of a new division of the company to be known as Pacific Lines, which will promote the Airways' interests on the Pacific Coast and more effectually serve British Columbia, according to James A. Richardson, president.

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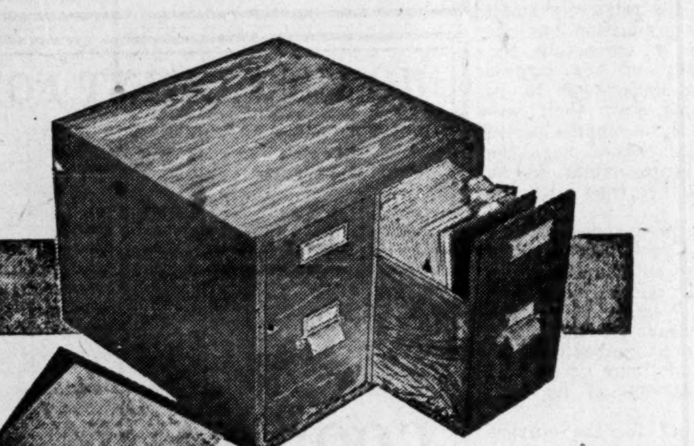

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Corporation
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Canadian Mining News

NORANDA FIXES ITS PRODUCTION TO METAL MART

Production for Half Year Shows Big Increase in Gold Ratio

COPPER AT PROFIT?

Six Months Output is About $2,500,000 in Gold and 31,800,000 lbs. of Copper

With no quarterly earnings report or current production available, shareholders of Noranda Mines are left in the dark as to the current position of the company.

The absence of Government reports on the company's six months' production further beclouds the situation, but The Financial Post has deduced, after a careful study of the situation, that the production for the first six months of this year was slightly better than 31,800,000 pounds of copper and $2,500,000 in gold. This production indicates a ratio of close to eight cents in gold for every pound of copper produced as compared with 3.1 cents in gold for each pound of copper produced last year.

In 1930, each ton of ore treated produced an average of about 88 pounds of copper and $2.70 in gold. Last year the smelter feed was principally from the higher copper content, sulphide ore with an average gold content. This year the siliceous and the lower grade sulphide ore is providing most of the smelter feed. The official statement of ore reserves shows this siliceous ore to average $5.72 per ton in gold and .8 per cent copper while the concentrating ore averages $3.52 in gold and 1.83 per cent copper.

Adjust Output to Prices

The flexibility of the company's ore bodies makes it possible to adjust production to take advantage of the varying market prices for copper. Through this flexibility it is apparent that the company has now so adjusted the grade of ore treated that a maximum of gold and a minimum of copper is being produced.

In 1930 the indicated cost per pound of copper produced was 7.85 cents per pound, including write-offs of 2.38 cents per pound, when credit was given or 3.4 cents worth of precious metals produced with each pound of copper. The average selling price of the company's output of copper last year was approximately 12.3 cents per pound leaving a net profit of 4.45 cents per pound of copper produced, after all write-offs and after giving credit for the precious metals.

Profits Above 1930?

The average selling price of copper for the first six months of the current year has been approximately 8.8 cents per pound, or a drop of 3½ cents per pound from that realized by the company last year. In the same time the increased precious metal content of the ore treated had added approximately 4.8 cents per pound of precious metals above that realized last year, so that actually, assuming that production costs per pound of copper continue the same, the profit realized this year is over one cent per pound higher than that realized in 1930.

While this situation may seem somewhat of a paradox with declining copper prices, it is evident that the higher gold values do more than offset declining copper prices.

A factor that enters into the situation is the tonnage cost of ore treated. The above deduction has been made purely on the basis of a cost per pound no higher than in 1930. It is highly probable, however, that the cost per pound has advanced owing to the lower grade of ore treated.

Since the estimated copper production, for the first six months of this year, is approximately 84 per cent of the rate maintained in 1930, and with an average price of 8 cents per pound for copper for the whole of 1931, and assuming the current rate of production is maintained, the value of the company's production for 1931 will be approximately $10,100,000, as compared with $11,967,472 in 1930, or a drop in the value of the company's production of about 15 per cent.

Could Discard Copper

These deductions indicate the manner in which the company is fortified, with its gold production, to meet declining copper prices. J. Y. Murdoch, K.C., the company's president, stated early this year that the copper could be thrown away and a profit still realized.

While the above deductions have been based on costs prevailing in 1930, it would be delving into the realms of conjecture to too great an extent to try to interpret them positively in terms of current earnings, but indications are that with equal operating costs and write-offs, current earnings by the company will not be far astray from the $1.72 per share shown in 1930.

Current market quotations of around $18 per share are not only discounting well in advance what the company's earnings might be, given a return of near normal copper prices, but also the possibilities of the gold content of the new ore bodies indicated by diamond drilling below the 1,500 ft. horizon. Doubtless these new low developments are of great importance, but until they have been delimited and sampled, their real potentialities remain unknown.

July Gold Output Record for Siscoe

Siscoe Gold Mines established a new monthly record for gold production in July with an output valued at $82,437 as compared with June output valued at $67,388, or an increase of over 22 per cent. The seven months' production for the current year is valued at $417,273 as compared with the entire output of 1930 of $367,266.

A recent progress report by officials told of the progress made at the property and gave ore reserves estimated at 100,000 tons, stating ore is being put in sight at a rapid rate.

ABANA'S HOPES NOT IMPROVED BY NEW EFFORT

Eleventh Hour Effort to Raise Funds and Restore Property

Shareholders of Abana Mines are in receipt of an eleventh hour appeal to contribute an assessment of 10 cents per share to raise funds that the obligation to the Mining Corp. of Canada may be paid off and the property restored to the shareholders.

The letter dated August 6, 1931, said a group associated with the Shareholders Protective Committee had considered the matter and thought the assessment plan a feasible one to raise the required funds.

Early in July a petition was made in the Supreme Court, Montreal by J. A. Raymond, a shareholder, to have the affairs of the company wound up, asserting the efforts of the then directors to effect financing had failed. The petition was opposed by Abana directors and proceedings stayed.

On August 7, 1931, the already extended note held by Mining Corp. was defaulted. Since the deed to the Abana property had been given Mining Corp. at the time the loan was made, to all intents and purposes the agreement would seem to be closed, with Mining Corp. the rightful owner of the property.

The financial straits in which Abana has became involved reflects the dissension that has existed among its shareholders. This dissension was fostered by interests jockeying to gain control of the company and this so interfered with plans laid for obtaining finances, when they could have been acquired, that they were dropped.

HOLLINGER RATE MEETS DIVIDEND BY SAFE MARGIN

Exploration of Old Areas Provides Good Ore Formerly Passed Over

From Our Own Correspondent

TIMMINS.—Operating at a rate of around 5,000 tons of ore daily, Hollinger Consolidated is securing profits which easily take care of the dividend rate of 5 cents per share every four weeks. This represents an annual distribution of $3,198,000 in the form of dividends.

Meantime, more machines have been turned toward exploration and an extensive search for new gold bearing material is under way. Gold bearing sections which might have been regarded as of little or no importance in the balmy days of Hollinger are now being turned to in an effort to preserve the ore reserves of the enterprise as long as possible. Material carrying values which will yield even a few cents to the ton profit is being sent to the mill. This accounts, to a large extent, for the mill heads which are somewhat below the average grade of ore shown in the official reports.

N. A. Timmins, president of Hollinger Consolidated, has gone on record as saying "Hollinger is a seven dollar mine." Now that the mine has found it necessary to turn to the extremely low grade material in order to preserve its ore reserves, the north country wonders if it is really a "$7 mine."

However, as a result of drawing on the very low grade material, Hollinger will probably show ore reserves at approximately $50,000,000 at the end of the current year. This is important, in that many have come to expect that the Hollinger ore reserves would show a decline this year and continue to decline in the years to come.

BILLY BOY DRILLING IS DISAPPOINTING

Work Started Early This Year Indicates Gold Values Are Low

The diamond drilling campaign on the Billy Boy Claims, conducted by the Manitoba Basin Mining Co., is understood to have proved disappointing.

The Billy Boy group is about twenty miles north of Flin Flon, Manitoba, and was under option a couple of years ago to Manitoba Basin, but when the company failed to carry out the terms of the option, it lapsed. Early this year an option was again taken and a party sent in with a diamond drill. Rich surface showings in gold were encountered, but 3,000 ft. of diamond drilling completed to a maximum depth of 600 ft. indicated that the gold values were very low.

Turner Valley Drilling Report

Wells Drilled by Imperial Oil

Progress Report—Week Ending Aug. 7, 1931

Name of Well	No.	Type	Depth last report feet	Present depth feet	Feet drilled	Remarks
S. Lowery	3	R.	4901	5036	135	Drilling in lower Fernie.
Ster. Pacific.	2	R.	2728	2980	252	Drilling in lower Dakota.
Lethbridge	1	S.	3329	3396	67	Casing lowered to 3,354 ft. top of Dakota.

Note: R.—Rotary. S.—Standard.

ALEXANDRIA GOLD OFFERS PROMISE, BLUE BOOK SAYS

Developments at Depth Seen as Encouraging by B. C. Mines Branch

NOW IS FINANCING

Shares to be Given Full Listing on Standard Stock and Mining Exchange

Shares of Alexandria Gold Mines made their appearance last week on the curb section of the Standard Stock & Mining Exchange and are currently selling at 16 cents, with arrangements nearly completed for full listing at an early date.

The company through a wholly-owned subsidiary, the Alexandria Mining Co., is developing a gold property consisting of seven crown-granted claims and four located claims situated on the west side of the entrance to Phillips Arm, off Cordero Channel, in the Nanaimo mining division of British Columbia, 150 miles north of Vancouver. The property is on tide water and the main tunnel of the company's workings is a few feet above the company's dock which is now a scheduled port of call for the Union Steamship Line affording excellent transportation facilities.

The ore occurrences are confined to a main vein on the Alexandria claim and extend from the shore line in a north-westerly direction into the Pembroke Range of mountains, which reach their summit at an altitude of approximately 4,000 ft. The ore occurs in a quartz vein and is either in the form of free gold or as iron pyrites carrying values in gold and silver.

Tunnels in Mountain

In former years a series of five tunnels were driven into the mountain side following the vein for a maximum elevation above dock level of 248 ft. The principal operations have been carried out from the No. 1 tunnel which is three feet above dock level. Drifting in this tunnel for 550 ft. disclosed an ore shoot in the main vein 305 ft. long, averaging 4 ft. in width and having an average value of $11.50 per ton, according to officials of the company. A winze has been sunk from the No. 1 tunnel to a depth of approximately 250 ft. and sinking is now in progress planned to carry it to an immediate objective of 500 ft. A sublevel, 100 ft. below the No. 1 tunnel, has been drifted on for a distance of 125 ft. west of the shaft, all in ore, averaging 6 ft. in width and assaying $14.00 per ton.

The 1930 report of the Minister of Mines of British Columbia said "that the work was fully justified by present showings and should conclusively decide the merits of the property. Very promising results have already been obtained. At 8 ft. below the first level a vein was cut coming in from the footwall which assayed $29.20 in gold per ton. At 13 ft. below the 100 level 4 ft. of ore showed in the shaft assaying $23.40 in gold per ton. The present development plans should definitely prove this property one way or the other."

Additional finances are understood to be forthcoming which will enable the company to aggressively pursue its development programme.

The authorized capitalization of the company is $5,000,000 in $1 par value shares of which approximately $3,500,000 is outstanding.

C. H. Dickie, M.P. for Nanaimo, B.C., is president of the company.

BEATTIE MILL BEING PLANNED REPORT AVERS

Drilling by Ventures Said to Indicate 10,000,000 Tons Low Grade Ore

Unofficial but reliable information says Ventures Ltd. is preparing preliminary plans for a large mill for the Beattie property.

Ventures owns a 50 per cent interest in this property, situated at Duparquet Lake, Duparquet township, Northwestern Quebec, on which diamond drilling has been continuing since last year. In the 1930 annual report of Ventures reference was made to the encouraging nature of the diamond drilling results. Ten holes put down along the 1,200-ft. outcrop, gave assays of $3.12 per ton in gold. Since that time drilling has been steadily carried on and officials state a preliminary estimate indicates approximately 10,000,000 tons of low grade ore.

Due to the great width of the ore bodies, as shown by diamond drilling, officials believe a profit could be extracted, if production and treatment was on a large scale. Ore is now being tested at the Ore Dressing Laboratories at the Department of Mines, Ottawa.

The property is south of La Sarre on the Canadian National Railway, Transcontinental Line, and is reached by a 22 mile water route. A road is also being built from the Quebec Highway, which follows the railway.

The development of the Beattie property has attracted a great deal of interest lately owing to its apparent size and the possibilities offered by a large tonnage low cost mining and milling programme. While the ore is stated as being around $3 per ton, and as such does offer possibilities, extensive development would necessarily have to take place and reliable sampling executed before the real possibilities would attract capital in such a venture.

Metal Prices

New York—August 11—
Copper: Electrolytic spot, 7½c. to 7¾c. lb.
London—August 11—
(Long Ton)—
Copper: Electrolytic spot, £35; future, £36.
Standard spot, £32 7s 6d; future, spot £33 5s.
Tin: Spot, £111 15s; future, £114, 2s 6d.
Lead: Spot, £11 15s; future, £12.
Zinc: Spot, £11 2s 6d; future, £11 17s 6d.
Silver: 12⅝d. per ounce.

LEAD PRODUCERS LAY FOUNDATION FOR IMPROVEMENT

Production Being Tuned in Line With Market Requirements

Statistics reveal that lead production has declined further and has established a new recent low level with the world output in June of 120,240 tons, a reduction of approximately 2½ per cent from the May production.

Fundamental improvement in the industry reflects the curtailed output and points to a basic recovery being made. Owing to the low prices for lead and a passive demand, many of the high cost producers were forced to suspend operations. This, together with the voluntary curtailment by the lead producers outside of the United States to restrict production 15 per cent, indicates that the foundation is being laid for a more equitable ratio of production to demand.

The Consolidated Mining & Smelting Co., which is the world's largest producer of lead, had a production in the first six months of the current year of 75,451 tons. With this huge production any slight improvement in lead prices will materially reflect in the company's earnings.

The closing of two smelters belonging to the American Smelting & Refining Co., one located at Utah, and the other at East Helena, Montana, for the entire third quarter of the current year, is a constructive step in correcting the production ratio. The smelter of the International Smelting Co., a subsidiary of the Anaconda Copper Co., suspended its activities in the middle of July last. With closing down by the high cost operators, they must necessarily wait a considerable advance in lead prices with evidence of stability before production is again justified being resumed. With these definite corrective steps being taken in production evidence points that during the next few months the output will not be equal to the market requirements and will enable some of the excessive stocks being liquidated. With stocks liquidated and production tuned to market requirements, a sounder basis can be established for values.

With the exception of requirements by the battery and ammunition industries sizeable increases by other users are reported and actual shipments for June, in the United States, assumed a higher rate than any month since January, 1931.

STANDARD BOARD TRADING VOLUME ABOVE LAST YEAR

Value of Sales Reflects Activity in Lower Priced Issues

The volume of shares traded on the Standard Stock & Mining Exchange, Toronto, for the first seven months of the current year is greatly in excess of the same period in 1930, the average volume for the first seven months being 11,321,145 shares per month as compared with 6,990,592 shares per month in 1930.

The total value of the shares has decreased, in part due to the shrinkage in value of the shares traded and to greater activity in the lower-priced issues.

The following tabulation shows the trading immediately before and immediately after the financial crash in 1929, also the subsequent trading:

Period	Sales of Shares	Value $
1929		
Sept.	19,205,022	50,477,281
Oct.	19,125,114	67,149,144
Nov.	13,727,468	47,450,229
Dec.	99,438,292	21,143,267
Total 1929	289,909,455	710,308,184
Monthly aver. 1929	24,159,121	59,192,348
Total 1930	83,880,711	139,898,329
Monthly aver. 1930	6,990,592	11,658,149
1931		
Jan.	8,145,949	6,957,551
Feb.	12,416,949	5,974,295
Mar.	21,558,244	15,469,848
Apr.	14,377,525	10,459,693
May	7,309,080	9,572,398
June	8,481,478	7,156,847
July	6,958,796	3,642,212
Total to date 1931	79,248,021	59,232,844
Monthly av. 1931	11,321,145	8,461,834

NORTH COUNTRY DISCUSSES BONUS FOR LAKE SHORE

Company's Profits Run Well Above Present Dividend

From Our Own Correspondent

KIRKLAND LAKE. — Lake Shore is turning out gold at a rate that is yielding a profit of around $1,500,000 per quarter. Consequently, the question of when and how this is to be distributed among the shareholders is again up for discussion. The $2 per share per year dividend rate, however, appears to be one that will remain for some time, in that this rate represents a safe figure; and should officials deem it advisable to pay more than $2 per share per year, this can be done through the declaration of bonuses from time to time. Any surplus will be added to the treasury, but it is not expected that officials will be desirous of building up too large a treasury. In view of this, bonuses are under discussion among investors. A bonus of 15 cents per share each quarter, with the 50 cents per share dividend, would represent $2.60 per share annually.

In view of current earnings at the Lake Shore, distribution of $2.60 per share per year to the shareholders—in the form of a flat dividend rate and bonuses—is expected.

Meantime, underground operations and expansion are moving steadily forward. Results continue to fulfill the expectations of the most optimistic and the enterprise is steadily building up an ore reserve which, if an estimate of developed and indicated ore were shown, would (even now) show more ore developed and indicated than in any other gold mine in America.

Metals Development Options Its Share

Clearwater Lake Gold Property Favorably Reported on by N. Y. Engineer — Secures Required Funds

Metals Development Ltd. shareholders are in receipt of official advice that finances have been arranged which will permit aggressive development of its property in the Clearwater Lake area, Patricia district, Ont.

The company's original holdings in the area were added to early this year and now consist of approximately 1,000 acres, extending north from Clearwater Lake to Washagomas Lake, about 45 miles from Gold Pines, which is reached by water route from Hudson on the Canadian National Railway.

Three main vein systems have been traced on the property, the No. 1 system has been traced for a length of approximately 1,000 ft. on the surface and is dipping southwest, while the No. 2 vein system to the north appears to be dipping northeast. A two-compartment shaft has been sunk on the No. 1 or shaft vein to the 100 ft. horizon and drifting to the east for a distance of 320 ft. was entirely in ore running from one to six feet in width. On the surface the vein was in altered basalt while at the 100 ft. horizon it was in crushed quartz porphyry.

In July last, Folke Kihlstedt of the Swedish-American Prospecting Co., New York, made an electrical and geological survey of the property, and reported that the vein on the 100 ft. level showed an average value of $12 per ton in gold over an average width of four feet. As a result of this report Montreal interests have optioned 700,000 shares of treasury stock which, if entirely taken up, would net the company $140,000. An initial payment has been made with others spread over 12 months. This option was not taken up by brokers, but by private interests, and it is not the intention of the company to list its stock to facilitate trading.

Only a very limited amount of work has been done this year, but since finances have been assured plans are now laid for sending in a steam mining plant as soon as winter roads are available. Contract has been let for cutting 1,000 cords of wood for fuel, and the camp buildings are being put in order. Plans call for the sinking of the shaft to the 500 ft. horizon and extending the east drift on the 100 ft. level.

The present authorized capitalization of $2,500,000 in $1 par value shares is all outstanding, and it is planned at once to increase the authorized capitalization to $5,000,000 in order to permit of the issuing of shares under the option arrangement. To date Montreal interests have put up approximately 90 per cent of the money supplied which has been secured through direct efforts of the company by sale of treasury shares at from 25 to 40 cents and not through any brokerage underwriting house.

The company was originally formed to consolidate the holdings of the Melrose Silver Syndicate, the New Liskeard Red Lake Syndicate, the Imperial Woman Lake Syndicate and holdings of Borgford Bros. Originally the company had groups of claims in many areas, but these have been relinquished and outside of, the Clearwater Lake holdings it has 120 acres in Hodgetts township, Sudbury district and 520 acres in Gowganda, both owned outright and in good standing.

The present board of directors includes Dr. M. H. Lebel, Montreal, pres.; Col. C. H. Ackerman, Peterborough, vice-pres.; M. F. Blue, Toronto, sec.-treas.; Maj.-Gen. J. H. MacBrien, Ottawa, General John Gunn, Toronto, J. L. A. Tetreault, Montreal, and W. G. Sparrow, Sarnia.

LORNE PROPERTY BEING EQUIPPED WITH GOLD MILL

Sampling Indicates Mill Heads Will Average $17 Per Ton

At the Lorne Mines in the Bridge River mining division of British Columbia, about 160 miles north of Vancouver, foundations are being prepared for a 100-ton mill.

Early this summer the Lorne Gold Mines settled its financial difficulties through the intervention of the Braclo Development & Finance Co., which organized the Bralorne Gold Mines to hold title to the property. Braclo owns 60 per cent interest in the new company and Lorne Gold now owns 40 per cent.

With new capital operations have been effectively speeded up to bring it into production at an early date.

The mine's lowest level on the "King" vein shows 700 ft. length of continuous ore of commercial widths, from which a raise has been made to the 385-ft. level, leaving the top of the raise still 300 ft. in virgin ground above.

The channel sampling indicates the mill heads will run $16 to $18 over all. No estimate of this ore shoot is possible until the raise is completed. A parallel vein known as the "shaft," is in good width ore with occasional spectacular values being encountered. Upraise, which is now 75 ft. in "shaft" vein, shows thirty inches, mostly ribbon quartz, of a probable average assay of $50 per ton. Approximately 700 feet of virgin ground is still overhead. Lorne mine developments are extensive with approximately 8,000 ft. of tunnelling already completed.

Canusa Mines New Test Mill Is Tuning Up

Canusa Mining & Development Co. turned over its new 50 ton pilot mill in the Porcupine area last week.

While the mill is primarily for test purposes, it will serve as a clean-up mill to treat some of the rich gold ore exposed near the surface, and at the same time permit bulk sampling the ore encountered in development work. While the mill is larger than immediate requirements demand it will provide facilities to carry on modest operations if developments prove the property has commercial possibilities.

The mill was assembled largely from used equipment available in the vicinity and while it is an efficient electrically driven plant, the expenditure involved in its construction was much less than the ordinary cost of such structures.

NORDON TEST WELL SUSPENDS DRILLING

Lost Tools Decide Company to Bring Well in as Gas Producer

Nordon's Button Willow well in California, being drilled by the Wilshire Annex Oil Co. has suspended its exploration for oil and will bring the well in as a gas producer.

Early this year the Wilshire people undertook to drill the well to oil productiin or a depth of 7,500 ft. in return for a portion of Nordon's holdings in the area. Difficulty was encountered through losing a string of tools in the well, and owing to the inability to recover them, decision was reached to cement off the lower horizons and take the gas production, which is estimated at 10,000,000 cu. ft. daily.

G. M. Ruby, president of Nordon, stated that a ready market exists for the gas production and that it has a value of approximately $600 to $800 per day. He also said that as soon as the present well was put in shape for production a second deep test well would be started in the same vicinity.

Granada Re-financing Progressing Steadily

Refinancing arrangements for Granada Gold Mines announced last week in The Financial Post as nearing consummation, are progressing steadily and an official statement can be expected at an early date.

Application has been made for listing the shares of the company on the New York Curb Exchange, and it is expected that approval will be given in a few days.

Influential mining men long associated with Canadian mining companies are putting up the money, which will permit of an extensive expansion programme being carried out at the property.

Rumors that Nipissing Mines were interested in the deal has been officially denied.

COPPER PRICES STILL DECLINE; DEMAND PASSIVE

Producers Struggling to Adjust Output in Line With Current Demand

With copper selling at a new low of 7½ cents per pound the opinion prevails in well informed circles that still lower prices are not improbable.

Stocks of the metal on hand continue to be large and the demand passive, while producers are struggling to adjust production schedules to the demand.

Refined copper stocks continue to mount and the relatively small curtailment in production has not been effective in correcting the situation. Many of the largest producers are understood to be seriously cutting down their production for a three months period and already this action has been taken to a large extent in an attempt to further cope with the situation.

Few copper producers are able to operate at a profit of 7½ cents per pound—two notable exceptions being the International Nickel Co. of Canada and Noranda Mines, the former on account of the nickel content of its ore together with the metals of the platinum group, and Noranda on account of its high gold content.

With no relief for the current copper situation in sight, copper securities continue to reflect the situation.

Nipissing Examines Goudreau Property

Information from Goudreau says engineers of the Nipissing Mining Co. are examining the Michael-Boyle claim with a view to negotiating an option.

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SAN ANTONIO WILL ORGANIZE NEW COMPANY

Shares to be Exchanged on Three-for-One Basis

Shareholders of San Antonio Mines are in receipt of a notice calling a meeting in Winnipeg on August 20 for the purpose of ratifying a proposal to sell the company's assets to a new company to be formed.

A new company, known as the San Antonio Gold Mines Ltd., with a Manitoba charter, is to be incorporated with a capitalization of $2,500,000 in $1 par value shares, of which present shareholders will get one new share for each three shares held.

The present company has an authorized capitalization of 50,000,000 shares of no par value, increased from 4,000,000 shares early this year.

The reorganization has been made necessary by the entry of a new financial group which is undertaking to provide funds for the expansion programme recommended by the company's consulting engineer, John Reid.

Mining Index

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base of 1926 equals 100, was 66.7 for the week ending August 6th, as compared with 67.2 for the previous week.

Eleven gold stocks fell from 65.7 to 65.3, four gold copper stocks from 76.8 to 75.7 and five silver and miscellaneous stocks from 31.1 to 30.9.

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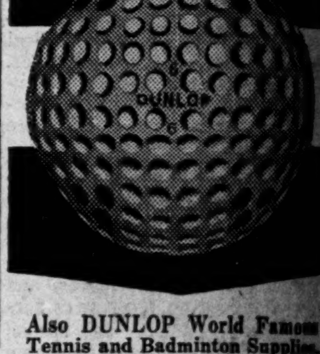

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